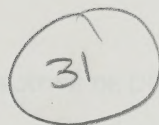


Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115492068>



E-31

E-31

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Third Session, 35th Parliament

**Assemblée législative
de l'Ontario**

Troisième session, 35^e législature

**Official Report
of Debates
(Hansard)**

Monday 12 September 1994

**Journal
des débats
(Hansard)**

Lundi 12 septembre 1994

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Transportation

Ministère des Transports

Chair: Cameron Jackson
Clerk: Tonia Grannum



Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Monday 12 September 1994

Lundi 12 septembre 1994

The committee met at 1309 in room 228.

MINISTRY OF TRANSPORTATION

The Chair (Mr Cam Jackson): I'd like to call to order the standing committee on estimates. We've reconvened to complete the 1994-95 estimates of the Ministry of Transportation. This committee last met on June 22 and had completed almost two hours of its six hours' allocation for this ministry. According to our records, we have four hours and five minutes remaining to be completed today.

Before I proceed to recognize in rotation Mr Daigeler, the ministry did have a series of questions, which we've received some of the responses to and some information which was catalogued. Has the ministry got the full responses that were raised from the last time?

Mr Hans Daigeler (Nepean): I have not received any responses.

The Chair: I believe it's on your desk, Mr Daigeler, but the researcher for this committee sort of examined the areas where questions were raised in anticipation of—

Mr Daigeler: Summarized the questions, you're saying.

The Chair: That's correct, and this was resubmitted to the ministry with the hope and assumption it would have that material to distribute at the commencement of these hearings. Do you have that material, Minister?

Hon Gilles Pouliot (Minister of Transportation): It's my understanding that the majority of questions were of a general nature. It's also my understanding that there is a tradition whereby meticulous or focused questions will be answered at the end of estimates. We don't wish to bridge the definition of hope and assumption. All questions will be answered and they will be answered fully, but it's a matter of style. It's not a matter of denial or tactics or strategy to answer or not to answer questions, nor positioning indeed. We will take today to answer some of those questions at this session.

The Chair: Minister, it's not a question of style, it's just a question of courtesy. The procedure is that we have given you considerable time and you and your staff undertook to respond to these questions. If your staff misinformed you or misrepresented the requirements of this committee, I wish to simply suggest to you that is the process, that was the understanding and that is the tradition. If you'd like to create a separate tradition, that's another issue, but I don't think that's necessary.

Hon Mr Pouliot: We will follow your mode, sir, if you want to put it that way. I shall indeed. No problem with me. Let's go.

The Chair: Does the deputy have any written materials, in accordance with the undertaking given to the committee that they would be forthcoming? Are any of those available? That was my question, and the answer is no.

Mr George Davies: Any questions that remain that we have not answered by the end of the day we will undertake to respond to in detail in writing.

The Chair: Okay. Are there any additional requests for individuals to come forward? If not, then I'll proceed. Mr Daigeler.

Mr Daigeler: Thank you very much, Mr Chairman. I think, as the Chairman has indicated quite correctly, it would have been nice—not perhaps a requirement, I understand that, Minister, but I think it would have been nice—since you and your officials had quite a bit of time to look at the questions that we, certainly myself, put on record. In fact, I have the Hansard in front of me and I spelled out quite a few questions. It would probably have saved us quite a bit of time to have something in writing. But since we don't, I will simply proceed with the questions I raised on June 22, and I will not explain them at length because they're there. However, I hope I will get an answer at length.

The first question I did raise because of coming from eastern Ontario. I hope you will understand that and appreciate that.

Secondly, also, in view of the fact that you were quoted in the press within the last 10 days as saying that the federal government is holding up construction of Highway 416, I would like you to be very specific as to what you have done with regard to taking up the offers of the federal contribution towards the completion of the 416, what your offer is. Frankly, I don't know whether you were quoted correctly. Hopefully you were quoted correctly. But you were quoted correctly for the first time, I would like to say, that the province, that you, are ready to pay your two thirds, as you should. Up to now, you had always indicated, "Well, if we have a toll road and everything else; if we can get things together." Certainly there was no indication that things were clear sailing on your part. The understanding was certainly clear that it was clear sailing on the federal part. So I would like you to let us know in detail what has happened in your negotiations with regard to the federal government and with regard to your own plans for the completion of Highway 416.

Hon Mr Pouliot: Okay. Thank you kindly. We all recall that the 416, the southern section—we recall that,

shortly after the last federal election—and I don't wish to put this in a political context, but it's a sequence of events that is worthy of analysing—I became the recipient of a copy of a letter that was sent to Mr Jordan, who I understand is the Liberal federal representative of the area. The letter was signed by Mr Eggleton, and although I don't have a copy in front of me, and in anticipation of your question maybe I should have, for it tells the tale, it was pretty well as follows:

"Dear Mr Jordan:

"I was unaware of the personal commitment"—

Mr Daigeler: I know what the letter is, but I'm wondering what you have done since then. I know what the background is.

Hon Mr Pouliot: We'll set the table before we dig into the plate, suffice it to say.

"I was unaware that the Prime Minister had made a personal commitment for \$60 million of funding."

The \$60 million is one third of an approximate \$180 million. We met with Mr Eggleton. We agreed in principle on the one third, two thirds. We agreed that we would present a business plan that would obviously become satisfactory to both, all to focus on the acceleration of 416 south. We were already committed respecting adhering to our timetable on 416 north. We made a commitment that we would swing our money; the money would be there.

However, we not only sensed a reluctance in tone as to the federal commitment, but it was indicated to us lately that there would be no new money, that the money would have to come from the infrastructure program.

Mr David Turnbull (York Mills): That was then; this is now.

Hon Mr Pouliot: Yes, that was then and this is now. That's the kind of terminology which is foreign to our government, in any case.

There's no money in the infrastructure program, as you are well aware, Mr Daigeler. The money is fully committed. In any event, it would have to be one third, one third, one third. The small municipalities don't have sufficient money. We're talking about a large sum.

We feel that there is at present a reluctance on the part of the federal government to come up with its \$60 million. We're confident that we will generate our \$120 million. That is not the problem. We wish to build the 416, we had hoped to have the shovel in the ground, work to be done this fall, but we're no longer as optimistic, and then it's going to cost us a whole season. So the federal government failed to honour its commitment.

Mr Guscott, you handled this negotiation. Maybe you'd wish to tell us more about it.

Mr Daigeler: Before the minister goes on, I think, Mr Chairman, if you can try and keep the answers also relatively short so we do get an opportunity to poke a little bit deeper.

Minister, you're saying you sense a reluctance. Frankly, I am not too trusting with regard to your sensitivity as to where the federal government is at. Let's put the feelings away here and let's look at the facts.

You just said yourself you, the province, agreed to present a business plan. Have you done so? Where is that business plan at? What has happened with regard to this business plan?

Frankly, when you just said one third, one third, one third, that's absolutely incorrect. You yourself have never indicated that there was a requirement for one third from the municipalities. You said, and the federal government has said, this is a special circumstance under which the federal government is contributing one third and the province is contributing two thirds.

1320

So my question again is, have you presented that business plan? What is in that business plan? Can we have a copy of the business plan? And all of this again, frankly, Minister, could have been presented to us in writing. I put you and your officials on notice with regard to this question and you certainly knew that this question was going to come up. It really does not bode very well for the remaining four hours that we already have such a very hard time to get any kind of information—substantive information, not feelings, Minister, not what you sense the federal government is doing. I sense what the NDP government is doing. Of course I sense certain things, but after all, there are certain partisan considerations here. We want the facts. We want to know what you have done with regard to your own commitment to present a business plan.

Hon Mr Pouliot: Before I turn it over to Mr Guscott, you will please allow me to clarify. We are committed to the 416. We have never mentioned the infrastructure program, for we know what the rules are. It is our federal counterpart that seems to be getting cold feet. They are the ones who are saying there is no new money, it would have to come out of the infrastructure program, which is already fully committed both in round one and, if there are any leftovers, in round two.

The Chair: Mr Guscott, you've been introduced already and you've been here for the question. Please proceed.

Mr David Guscott: Further elaboration on the question of Mr Daigeler: There is a second issue with respect to the difficulty of using the Canada-Ontario infrastructure works program to fund this highway over and above the one the minister's already mentioned, which is that the rules say that it's to be one third from the local municipalities. That is, it's a program with only a two-year window, and effectively the first year is virtually closed when it comes to highway construction. It would be very difficult to expend those moneys on a shared basis in the one building season remaining under that particular program.

Over and above that, the business plan which you referred to and which we are in fact working on has not been presented to the federal government as yet because that business plan had not to do with where the source of funds was but rather how the funds would flow, other sources of revenue etc associated with the project. Since we have not been able to get over the very first hurdle of whether their funds are in fact available and will be applied to the project, we have not advanced that aspect.

However, we have begun work on the traffic projections for that highway and that section of the highway, which is an integral part of that. We've continued with the ministry's work in the design of the program and the purchase of lands associated with the highway. So we're doing as much as we can to keep it on schedule and to keep the window open for this opportunity when the federal funds materialize.

Mr Daigeler: Well, I'm not reassured at all that the province is doing what it can, saying that you're waiting for the federal government. The federal government has clearly said it is going to assume a major portion of the cost of this project. It is now up to the province to put forward a very clear plan as to how this is going to be done, and clearly the initiative has to come from the province. After all, this is a provincial major highway, and the fact that the federal government is entering is just an added bonus, which probably—yes, and I take credit for it—related to the last federal election.

So when we have that opening, that window of opportunity, we're looking to the province, we're looking to you, Mr Pouliot, as the Minister of Transportation, to aggressively pursue this dossier, to put forward a clear plan. I have spoken and my office has been in touch as late as this morning with Mr Eggleton's office. Clearly, they are waiting for a proposal from you. Don't worry where they're going to find the money and whether they're going to find it from this pot or that pot. Hold them to their commitment and you put forward what your plan is.

I mean, if you are saying, "We want to see first what the federal government is doing," we are going to wait for ever. I'm saying to you, where's your plan? Come forward with a very clear and precise proposal to the federal government, and I'm sure, with the support from the local members both provincially and federally, you will find the federal government extremely receptive, as long as your business plan is acceptable to the community, and of course there I'm not sure. I heard Mr Guscott make reference, I thought, to the concept of tolls. I would like you to address that again, whether that still is in the plan, or is this now hopefully gone by the wayside in the way you were quoted a couple of weeks ago in the Ottawa area press?

Hon Mr Pouliot: Let's get this clear, and please bear with me. With respect, Mr Daigeler, I will present you some one-liners that are just the facts; they're nothing more than that.

Ontario is the only jurisdiction in Canada that doesn't receive a dime, a nickel or a cent, nothing, from the federal government. Ontario contributes, by way of taxes on gasoline, more than \$1.2 billion each year to the coffers of the federal government.

In this case, we are paying two thirds; we wish to pay two thirds. We're not here to play ping-pong. We don't wish to engage in any sort of contest with the feds as to what jurisdiction. We want to see the colour of the money. Put the cheque into the envelope.

It is our jurisdiction. We're not ruling out tolls, part of it as user-pay. It's not automatically in. The catalyst here is to have the money flowing, not to agonize over which program it belongs to. We're used to building highways

in the province of Ontario. We've always done it alone. Let's not play games here. Somebody put both feet in it by saying, "We will contribute \$60 million." We have our \$120 million. We're used to that. Where is the other \$60 million? And let's not agonize over a business plan. A business plan that satisfies Ontario, all Ontarians, all motorists in Ontario who will use it, for the 416 is good enough for the country as well as it's good enough for Ontario.

What we're saying is, let's not play small, infantile games on the backs of motorists and on the backs of workers who wish to have the 416 accelerated. We have our money. Where is your money if you want to play poker with us? The business plan is perfectly acceptable. We're willing to make some amends to it, but we have some criteria as well, for we must pay the debenture holders. Mr Turnbull surely understands that. So if we can have user-pay to an acceptable extent, let's not let that be the catalyst so that you have an opportunity to say no to the project. When did you start to care about the motorists in Ontario? On the road to Damascus?

Mr Daigeler: If I understood you right, you're saying that you are still considering the 416 as a toll road.

Hon Mr Pouliot: We're not ruling out the toll road. Our focus is money. If we can enact some recuperation by way of tolls, so be it. It's not a deterrent to participation. It's not the halo of sanctity, the mother and father of every motorist. That's not what is at stake here. What is at stake is a partnership: \$60 million/\$120 million. That's where the focus is; that's the only focus. The mechanism is secondary. That's a sideshow.

Mr Daigeler: For the people in eastern Ontario, the toll is not a sideshow. They have been waiting for this road for a very, very long time and they see absolutely no reason why the only major connection to the 401 should be a toll road for them. But be that as it may, that is a decision that I respect. If you want to make that decision, that is yours. It would not be mine.

But tell me, where is that at? That's probably what the federal government is waiting for. If you're saying you're putting tolls on, where are the negotiations with these famous private funders? Have they led anywhere? Where is it at at the present time? It's all big words and I still have not received any concrete indication that you have done your share of the work.

1330

Mr Guscott: The business case around a toll facility starts with the revenue projections, which are directly correlated to the way people value the road; in other words, what they're willing to pay for the ability to use a better link between Ottawa and the 401.

Those studies, which in the case of Highway 407 took 10 months to complete and for which there were no Canadian firms experienced in that topic, have begun in the case of Highway 416 with a Canadian firm which was an understudy to the 407 toll revenue firm. So we are still developing what the revenue sources could be. As you can imagine, the value of time varies according to the purpose of the trip, according to the alternatives etc. We want to make certain, as we evaluate tolling as

one option for funding Highway 416, that we put an appropriate value on the revenue that might be obtained from that source. Those are the studies that are under way now. They are the ones that take the longest. They involve looking at what our free flow projections would be, looking at traffic volumes on alternative routes, other arterial roads, and over and above that, public surveys of the value of the time saved.

Mr Daigeler: Okay, now we've got the first indication that you are still carrying out these studies in terms of the revenue potential through tolls and that these studies haven't been completed yet and therefore you can't fully make a proposal to the federal government. Well, that makes sense. I understand that. But don't go around saying it's the federal government that is not ready to put its cheque in the mail. If that's what you're saying, put your own cheque in the mail. You are not ready to put the cheque in the mail.

I understand that perhaps it takes time to assess the revenue potential. But my question is, how much more time? Can you give any kind of estimate as to when these studies will be completed and you will be in a position to make a proposal to the cabinet to say either, "We're going to fund it out of the general revenue" or "We're going to go for the toll approach," as an NDP platform?

Hon Mr Pouliot: Mr Daigeler, with respect, not so quickly. Pre-design work is basically complete. Property acquisition is ongoing. We're ready to go to tender right now on a large portion of Highway 416. Hence the dilemma. Time is of the essence. We're willing to proceed, we wish to go to tender now, but you have to pay the people. We cannot go to tender if we don't have the commitment of the one-third participation from the federal government.

But let's make one thing clear: It's not a matter of time. We're willing to proceed right now. We have enough on our plate that we can have a shovel in the ground, a large portion of the 416 south.

The Chair: Thank you very much, Minister. Mr Turnbull.

Mr Turnbull: Minister, is it true that MTO's advisers, Wood Gundy and Goldman Sachs, with respect to the 407, were wrong in their advice that this financing could be done off balance sheet through OTC?

Hon Mr Pouliot: Mr Davies, please.

Mr Davies: It is our expectation and it is our hope that it can be done off balance sheet and off book. That is a function of the traffic forecast, and our forecast at the present time indicates a certain level of traffic and revenue. We have a fixed price for the construction of Highway 407 and we have a fixed cost for the provision of the tolling system. The only other variable that we face now is, at the time when the borrowing takes place, what is the interest rate going to be? Based on the interest rate at the time the decision was made, in April, it was Wood Gundy's expectation, along with Goldman Sachs', that the toll revenues from 407 could fully support the cost of 407.

Mr Turnbull: Is it not correct that in fact the rating agencies have told the government that this would not be

considered off book because the Ontario Transportation Capital Corp has no track record? It's not like Ontario Hydro, which has a proven revenue flow.

Mr Davies: I'm not aware of that allegation.

Mr Turnbull: Perhaps I'll put on order now that I would like to be made aware of any advice that the government has been given by the main rating agencies that in fact they don't consider this to be off book.

My next question is, I'm hearing rumours that perhaps MTO has decided to get CHIC to do the financing. Is there any validity to that rumour?

Mr Davies: No.

Mr Turnbull: Okay.

Mr Davies: We always remain open to anyone who wishes to lend to 407 on favourable terms, with the benchmark being what the cost of borrowing would be if the government were to arrange the financing directly. So anyone who wishes to approach the government to lend money to the Ontario Transportation Capital Corp for 407 is perfectly free to come forward.

Mr Turnbull: But you're saying unequivocally that CHIC is not being asked to now do the financing?

Mr Davies: CHIC made a financing offer and, as we indicated to you in the last meeting of this committee, the benefits were not commensurate with the risks and the costs to government, and we therefore opted to arrange for the financing directly.

Mr Turnbull: Was their financing package an index-linked financing or was it recourse, and if it was recourse, what percentage recourse?

Mr Davies: I have signed a confidentiality agreement, as you're aware. It was at a cost that would have had to involve a call on the government, based on our forecasting scenarios, and therefore was unacceptable.

Mr Turnbull: But, in essence, was it 100% guaranteed by the government as a result of that? I know we went through this before, but—

Mr Davies: We were asked to provide—I'm now getting into detail. There was a level of guarantee that we were being asked to bear that could have been called upon, depending on what scenarios one faced in the financing markets at the time, and so it varied with those conditions.

Mr Turnbull: As a result of the government's decision to go with financing at that time, then, I'm not aware that you have raised the money. The proposal, I believe, of both consortiums was to raise the money up front. Have we missed an opportunity to do cheaper financing? I mean, given the rates that we now have for financing, is the government in effect going to pay more because it will be raising the money later rather than going through the two consortia who were going to raise it immediately at a lower rate?

Mr Davies: I won't comment on what the details were of the financing proposals that came forward from the two competitors, but I will offer a general observation that until the legal agreements are in place with both the civil consortium and the tolling consortium and there has been an orderly presentation of the project, along with the

forecasters, to the financial intermediaries, no one would be in any position to raise all of the capital up front.

Mr Turnbull: Well, Deputy, the point here is that I have been told by the winning consortium themselves, by the president, that in fact they intended to raise all of the money up front. So it seems to me, as a lay person in financing, that there is going to be an increased cost to the government as a result of raising it later unless interest rates are to go down substantially, to be able to get back to the level—even allowing for the differential between what the government raises money at and what the consortium would raise money at, it seems to me that we've lost an opportunity here.

1340

Hon Mr Pouliot: Mr Turnbull—and I don't wish to impute motive, hindsight—maybe rates will be going down. These rates are volatile and they fluctuate daily. But on any given day, the ability of a government such as the one in Ontario almost inevitably has broader shoulders than—

Mr Turnbull: Okay, Minister—

Hon Mr Pouliot: It's anywhere between 50 and 75 basis points, whether it's last week, last month or next month. When you tap the market, we have broader shoulders than the Prime Minister.

Mr Turnbull: Minister, are you saying that if you raised the money today, you could raise it for less money than the winning consortium could have raised it for at the time that they were going to raise it?

Hon Mr Pouliot: I was not a party to the process. In fact, it was made very, very clear as part of the negotiations among both consortiums, and ethics was supervised by Price Waterhouse. But as a matter of fact, those tend to be reflected in the contract. There are no secrets here, and the bottom line is often reflected, if not in the base contract, by way of contingencies. No one escapes. The fact is that 50 to 75 basis points cheaper any time you tap the marketplace for a loan, or for a debenture, if you will—

Mr Turnbull: Minister, either you're deliberately playing peekaboo or you really don't understand this question, and you should. My question was very simple. I'm saying if you, the government, raise the money today at the current interest rates, is it not true that you will pay more than the winning consortium would have paid at the time, given the fact—and you don't have to hide behind the privacy of the agreement. The fact is, the president of the winning consortium has told me that they were going to raise the money up front. So I am asking you, is it not true that there is a penalty involved to the government for not having gone that route?

Mr Pouliot: That one I will not question. I fully understand the question—

Mr Turnbull: Well, is the answer to the question yes or no?

Hon Mr Pouliot: I've lost a small fortune over the years to understand those questions nowadays. If you front-end, be it a lower rate, or if you borrow as you go along—like I've said, it depends on the marketplace of the day, but inevitably it is cheaper for the government to

borrow money than in this case it was, because you're looking at amounts surpassing \$1 billion. That's really the focus of your question, David.

Mr Turnbull: Let me move to the deputy. I would like to move on unless you have a very quick remark on that.

Mr Davies: If we just look at the issue of timing, I think the question you're asking is, was it cheaper to borrow in May than it would be to borrow in October? I think it's largely an academic question, because we were being asked as a government, under that proposal, to provide a guarantee. Prospectuses have to be prepared. As you know, that usually takes anywhere from two to three months, so that regardless of whether the government was doing the borrowing or the private sector was doing the borrowing, we both would be going out to the market under either of those scenarios at about the same time.

It is our expectation that we will be borrowing up front, because it provides a level of certainty, but it will happen when the financial advisers tell us what the most favourable interest rate scenario is.

Mr Turnbull: Okay. Let me move on and ask whether MTO has adjusted the PQA ratings of the winning consortium.

Mr Davies: We continue to rate the capabilities of our bidders based on what we consider those capabilities to be. We are no longer in a situation where we rotate work around to keep everybody busy. They are required to be—

Mr Turnbull: Are you saying you've abandoned PQA ratings for the province?

Mr Davies: We continue to do our quality rating. If I may, I would like to ask Carl Vervoort to comment in more detail.

Mr Carl Vervoort: The current process the ministry uses continues to be in place for qualifications of contractors. You may appreciate that that process is in fact a self-declaration requirement for the contractor to advise us of the number of contracts and the amount of obligation they have with respect to contracts with parties other than the Ministry of Transportation. That would include the Ministry—

Mr Turnbull: Okay, but my question is, have you adjusted the PQA rating?

Mr Vervoort: No. To my knowledge, not. I'm not aware that any formal submission had been received from either the consortium or the members of it.

Mr Turnbull: Are you telling me that this winning consortium, which has taken on the largest contract in Ontario road building history, isn't having its PQA rating adjusted and that it's free to continue to take on jobs just as if it didn't have these obligations to build this?

Mr Vervoort: I'm indicating that I am not aware that those adjustments have been made.

Mr Turnbull: Whose responsibility is it to adjust the PQA ratings?

Mr Vervoort: That's made within the financial component of our Ministry of Transportation. We have a qualifications office that manages those processes.

Mr Turnbull: I would submit, Minister, that in view of the fact that you've thrown out the normal bidding process in this, we've got complete secrecy so the public doesn't know whether it got the right value for money, you might as well throw out the PQA ratings as well, given the fact that you've allowed a company, or group of companies, to take on this massive project, and you're saying: "Oh, it doesn't matter. It's as if that doesn't exist. You're still open to take on the same amount of business." That seems to me to undermine the whole concept of the government having people working on that process.

Moving on, some of the contractors in the winning consortium continue to report losses in the press, I believe. Armbro, Dufferin and Agra report losses. What happens if this consortium becomes insolvent, Minister?

Mr Davies: We have full bonding, so the province is fully covered.

Mr Turnbull: The three unions—and I alluded to this in the first set of questioning and I wasn't too happy with the answers. Of course, we didn't get any answers back as a result of the questions that we put on notice, and I am quite displeased about that.

Can you assure me, Minister, that the agreement between the three unions and the winning consortium will not lead to other workers being shut out of work? Specifically, I will ask you this question because I've been approached by several electrical contractors who've suggested they believe the Labourers' union is under the impression that it's going to do a substantial amount of the electrical work on the 407, maybe not the final connection, but can you assure me that is not the case?

Mr Davies: The issue of the labour agreements for this project is one that was dealt with between Canadian Highways International, as the contractor, and its labour representatives. My understanding, assurances I've received from Canadian Highways International, is that any firm that wishes to work, regardless of whether they're union or not, provided it abides by that agreement—in other words, it pays the rates—is free to work.

Mr Turnbull: So another organization has to pay the same rate as they're paying to the Labourers' International, for example?

Mr Davies: That is my understanding from Canadian Highways International.

Mr Turnbull: Perhaps you could get that information to me.

When was the decision made that the group of deputy ministers would make the decision on 407? Is it correct, as reported in the press, that it was the day before the fund-raising event for the NDP?

Minister, I think it's more appropriate that you answer that question.

Hon Mr Pouliot: Well, do you wish to make a contribution?

Mr Turnbull: No, I don't.

Hon Mr Pouliot: You know very—

Mr Turnbull: I want to have some information, Minister.

Hon Mr Pouliot: Mr Chairman, I'm really appalled and shocked—

Mr Turnbull: I'm asking, was the decision—

The Chair: Could we have one at a time, please.

Mr Turnbull:—that the deputies would make that decision made the day before that fund-raising event, as reported in the press? Yes or no? It's not a complicated question.

Hon Mr Pouliot: With respect, I fail to see the validity of the question. What is the relationship between an arrangement with the winning consortium, with a contract, and a political fund-raising?

Mr Turnbull: Thank you, Minister. That's exactly what I'm trying to find out.

Hon Mr Pouliot: What is the validity? I don't see any—

Mr Turnbull: That's exactly the point of the question.

Mr Noel Duignan (Halton North): Ask him what's the difference in the—

The Chair: Mr Duignan, your comments are not appropriate on matters around—

Mr Turnbull: I'm asking, was it made the day before the fund-raising event?

Interjection.

The Chair: Mr Duignan, you're out of order.

1350

Mr Turnbull: Specifically, what was the date that the decision was made?

Hon Mr Pouliot: We don't know. We see no reason to remember.

Mr Turnbull: I beg your pardon? You're a minister of the crown. The estimates process is so that there can be open accountability to the taxpayer. Minister, I will give you another opportunity to answer that question: When was the date the decision was made?

Hon Mr Pouliot: I'm sure we can find the date where the final agreement was—

Mr Turnbull: Perhaps Mr Davies knows the date.

Mr Davies: The date when it was proposed was in December. The date when cabinet made the decision was in January.

Mr Turnbull: January the—

Mr Davies: I do not have the date in front of me, sir, and I will endeavour to get it for you.

Mr Turnbull: I would like the date.

Moving on to the trucking industry: Minister, you've been on record as saying that you're in favour of shared trucker and shipper responsibility for loading of trucks. Why have you taken no action to date?

Hon Mr Pouliot: The shared onus is by way of a private member's bill and it's in the House at present.

Mr Turnbull: No, no, excuse me, Minister. You made a commitment to bring forward government legislation. It isn't appropriate that this should be done by way of private members' bills. You quite well know that. You committed to bringing forward legislation a long

time ago. Why didn't you bring it forward?

Hon Mr Pouliot: Well, it's being brought forward by way of a private member's bill and it's fully in keeping with our pastoral, Jeffersonian democracy. There's nothing wrong with a private member's bill. A bill does not have to be sponsored by government, as long as the bill is progressing.

You know, sometimes, and you can share this with me, if you do so by way of omnibus—government sponsors a bill; it has many housekeeping opportunities in it. Unless we move closure, unless we push the bill through, it's very difficult to fast-track because the opposition—and that's okay—will pick and choose and get rid of the omnibus provisions and make tradeoffs. Then the rest of it, you have to go and grab a number and convince your House leader and compete with other prioritized issues. That's the way it's done.

If, by way of an opportunity, you can lend support to a private member's bill, then it's one more opportunity to get this through.

Mr Turnbull: I'm shocked that you don't give more priority to government business which is of a safety nature.

So far as the absolutely appalling record of truck inspections this year, what action have you taken?

Hon Mr Pouliot: Our safety record during our mandate is second to none. We're quite proud of our safety initiative. What we're not proud of, and you're right—shocking, appalling—is the statistic that tells us that more than one third of the trucks are not roadworthy, mostly by way of brake failure or inefficient braking system.

Mr Turnbull: What are you doing about it?

Hon Mr Pouliot: What we're doing about it: We're monitoring compliance; we're being more diligent; we're leaning, we're fining people, we're hitting them in the pocketbook. We're working very closely with the Ontario Trucking Association through education, through partnership at our weigh scale, at our inspection station. We're doing all we can. We have more people doing that work, and our inspectors lead the way. They go beyond—

Mr Turnbull: You're saying you have more people. How many more people have you got this year?

Hon Mr Pouliot: I don't know the exact number but, Mr Turnbull, I'll get that to you pronto. Kim?

The Chair: Please introduce yourself for Hansard.

Mr Kim Devooght: I'm Kim Devooght. I'm the assistant deputy minister, safety and regulation. I wasn't here the first half.

Just a little bit of background in terms of the numbers: I believe the committee did ask for some elaboration of the 42% out-of-service rate, so I've got a little more for you here.

Certainly we too were shocked with those numbers, and the minister was as well. We found that of the 42% out-of-service rate, the following is a breakdown of those numbers: 37.6% of the air brake systems were found to reach the out-of-service criteria; 12.75% of tires; steering systems 9.75%; hydraulic brake systems 5.5%; and light systems 3.9%.

Mr Turnbull: Are you pulling these trucks off the road?

Mr Devooght: All of those numbers come from where those systems reached the out-of-service criteria and therefore the vehicle is unsafe to continue.

Mr Turnbull: So you did pull them off the road.

Mr Devooght: We pulled them off the road, yes. To answer your questions, first of all, how many additional staff have we brought on board, as you are probably aware, the ministry had a hiring freeze in place for a number of months. We have since moved on a number of vacancies. We have filled 13 positions as facility auditors, and those are the individuals who go right to the truckers' facilities and audit vehicles for safety inspections.

We have also commenced a competitive process to fill 46 enforcement officer vacancies. That will make a significant contribution to on-road enforcement.

Mr Turnbull: Are these people who work at weigh scales?

Mr Devooght: That's correct, weigh scales and green and white cruisers; they're our on-road officers. So between those two, we have 59 officers that have either been hired or are in the process of being hired right now.

Mr Turnbull: I want to say that in discussions with Ontario Trucking Association executives, they have emphasized that they're shocked at this situation and they have no sympathy for the trucks that are unsafe, because they give the industry a bad name. They want to see these people—

Mr Devooght: We agree with you 100%, because, as I say, the numbers were a surprise to us as well, the significant size of the number. The first thing we did—and we did approach the minister and get his concurrence in this—is that we now have zero tolerance for safety violations. In the past the ministry had a policy where if in fact a vehicle was detained for a safety violation and took quick action to correct it and had a positive record as a carrier, we allowed the company to fix it and continue on its way without a charge being laid. There would be an inspection report completed and it would sit on the carrier's commercial vehicle operator record as a safety violation, but no charge would be laid. We have now in fact begun laying charges in those cases. We realize that will cost us court time, but in fact it sends a strong message to the industry.

The second thing we've done is, we are going to place much more emphasis on the commercial vehicle operator's registration, CVOR, sanctioning process. So where in fact companies have an accumulation of safety violations, we'll be looking at them much earlier. We're looking at the penalty structures to see whether in fact the right deterrent systems are in place.

As far as the one problematic area, the one we've had the most difficulty with, as you can see, in over one third of the vehicles that we stop, air brakes are out of adjustment. That's primarily the problem, that air brake systems get out of adjustment. Right now there are prohibitions from drivers making adjustments themselves to air brakes. They're not allowed to do that. Only a certified mechanic can do that. So we—

Mr Turnbull: Is that something that in the past was done by them?

Mr Devooght: No, it's been a problem all the years along. Certainly numbers for air brakes out of adjustment have fluctuated between 25% and 35% for as long as I've been involved in this program.

Mr Turnbull: Excuse my ignorance—

The Chair: This will be the last question in this round.

Mr Turnbull: Tell me about air brakes. Are all trucks fitted with air brakes, essentially?

Mr Devooght: Certainly large vehicles, yes. Tractor-trailer vehicles are equipped with air brakes. We're discussing with the Ministry of Labour and the Ministry of Education and Training a variety of alternatives, with the objective of perhaps allowing drivers to make those adjustments themselves. It would mean changing the examination process for testing, and we're looking at that. We're looking at various technological solutions, including devices known as automatic slack adjusters which allow air brakes to self-adjust. So there are technological solutions, but they're some distance in the future.

Mr Turnbull: Thank you very much.

1400

The Chair: Mr Wiseman.

Mr Jim Wiseman (Durham West): If you're doing the safety stuff, don't run away. I'd like to talk a little bit about the trucks with respect to the brackets or the bumpers that could be placed on the back of trucks to prevent cars from sliding underneath them, and perhaps making the backs of trucks a little safer. I understood that we were trying to do something like that. I'm just wondering what the status is and what kind of compliance time frame we have on that.

Mr Devooght: Certainly for any new vehicles, the 53-foot trailers that are recently moving into the province, they are required to have the low underride protection, as well as proper conspicuity packages for visibility purposes.

Mr Wiseman: Is there anything to retrofit the trucks that are on the road now? There are an awful lot of them, and people are dying.

Mr Devooght: I'm not aware of any specific action other than us discussing it with industry. There's no legislative plan at this point that I'm aware of to retrofit those vehicles.

Mr Wiseman: Also, what about reflective surfaces on the sides of trucks?

Mr Devooght: Well, that's what I mentioned as far as the 53-foot trailers are concerned. They are required to have the conspicuity package, which is the reflective tape and lights of an increased nature, as far as those vehicles are concerned.

Mr Wiseman: And there's nothing to retrofit them.

Mr Devooght: No legislative requirements. Certainly we're talking with industry about standards and coming up with model programs for those kinds of things, but no legislative requirement at this point that I'm aware of.

Mr Wiseman: Minister, I guess one of the questions

I would have is the proposal for the 401-407 link in Whitby. The regional municipality of Durham has suggested that it might be an alternative not to build that link but to move the transportation corridor over to the Courtice area. I'm just wondering, what's the status of the discussions and the proposal with Durham? Do we have any idea of what kind of cost implications that would have in terms of either cancelling it or just simply not doing it?

Hon Mr Pouliot: You will of course understand that when you live at 60 Neebig in Manitouwadge, you're not always as familiar as you should be with Courtice streets. We have both Mr Guscott and Mr Vervoort who will answer that. They'll give you the answer that you deserve, because I know it's very important to your special part of Ontario and you want an update of where it's at.

Mr Wiseman: Thank you, and I do know Manitouwadge.

The Chair: Welcome back, gentlemen. You've both been introduced for the record.

Mr Guscott: I'll begin and Carl will fill in on some of the details. As we look at the way 407 is to be used in a system-wide sense, one of the problems we have is the lack of connections between 407 and 401. In fact, Highway 404 is really the last freeway-to-freeway link in that scheme, and we are stretching these interchanges out to a considerable extent.

As we study the trip movements and most particularly those that involve industry and manufacturing, there is a considerable flow of goods between the Whitby area and Oshawa, most particularly the Autoplex, and we've been ensuring in our studies that we don't lose the option of meeting that need.

Having said that, we are aware of the opposition in the Whitby area to the link in the vicinity of regional road 23, and while we have not given up on finding a route there by any means, because we do want to pursue that, we as well may need a link in the Courtice Road area.

Mr Vervoort: Just let me add that in fact what David just mentioned with respect to a review of the specific alternatives that are located within the regional road 23 corridor, there has been agreement recently at the staff level, discussed with both the local municipalities in the region of Durham, that the efforts that went into the analysis of those alternatives would be revisited to allow the parties to ensure that all of their interests have been given due consideration.

Beyond that, as was indicated by David, we are taking a step back and taking a broader view of the overall network configuration associated with Highway 407 as it goes easterly from its current approved terminus in the vicinity of Highway 48. We'll be undertaking that broader network analysis to better inform us about the staging of easterly extensions and the options for north-south connections which are beyond the two that have been studied to date. There has been, as I said, discussion at the staff level that this work ought to commence, and it will commence shortly.

With respect to advising the local government, Mr

Herrema, as I'm sure you might appreciate, has recently been quite ill and time has not permitted efforts to bring him up to date on the matters which have just been discussed.

Mr Wiseman: Could you give me some description of what you mean by saying that the analysis of the documentation that brought you to this point will be revisited with specific reference to the 401-407 link?

Mr Vervoort: On my references to the north-south link in the vicinity of regional road 23, as you may recall or may be familiar, there are several different alignment alternatives that vary within a substantial east-west distance surrounding regional road 23.

Each of those basic alternatives had a lot of subalternatives associated with it in terms of various connections to avoid specific environmental, historical or land use issues, and what was termed the "technical preferred route" was a route selected among all of those basic alternatives plus the various permutations and combinations of them.

That analysis is the analysis that I made reference to. The view by the town of Whitby is that not sufficient weight was given to land use considerations in the composite analysis of all of the overlapping interests in that area. So we wish to simply review that work to ensure that proper weight was given to the factors to see if we can build a better consensus around a preferred route.

Mr Wiseman: If we can pursue that for a minute then, if you went into the original environmental assessments of this with a prescribed weight and you change the weight now, that means that you have to go back and redo it all over again. Is that correct?

Mr Vervoort: I don't think it's a matter of altering prescribed weights; it's a matter of ensuring that the analysis of the factors is accurate. For example, and this is only by way of example, it would not be applicable to the specific corridor and site, but if there was a factor associated with environmental impact on wetlands and there was doubt about the accuracy of the assessment of the condition of those wetlands and the merits of the retention or preservation of those wetlands, those are the types of issues that would be revisited.

The environmental approval process has in fact not culminated. We are still in the midst of doing the work which will result in the documentation of that work for submission of an environmental assessment report. So there is no environmental approval associated with any of the work done thus far. It is in fact work in progress.

Mr Wiseman: What would be the cost of this reassessment in dollars and cents?

Mr Vervoort: I don't have a precise number for you. I'll endeavour to provide you with an estimate, but it would be relatively modest in so far as the base information does exist and is available to the planners involved. It would be relatively modest, by which I mean that I would suspect—I had best not venture, I guess, but it would be relatively modest.

Mr Wiseman: In today's dollar terms, what would it cost to build the 401-407 link on the technically preferred route?

Mr Vervoort: I don't have that number. I can have a

discussion with a colleague and provide you with that number momentarily.

1410

Mr Wiseman: Have you eliminated any of the other routes? How are you doing this last stage of the evaluation?

Mr Vervoort: No routes have been eliminated thus far, in the sense that the matter is still before the planners involved in the work. It would be fair to say, however, that there are some alternatives among the mix and there is consensus around this being less preferred. So while there is not consensus on the preferred route, there is perhaps consensus on some areas that ought to be excluded.

But again, that final decision has not been made. In the work that I've been referring to, once it reaches a conclusion, the technically preferred route plus its eventual implementation would still be subject to the environmental assessment report completion, submission to the Ministry of Environment and Energy and approval by that ministry before any efforts to do detailed design or property acquisition could commence. Clearly there is no exclusion of any of the options at this point.

Mr Wiseman: With respect to Durham road 23, it's Whitby's political desire to have the 401-407 link go up Durham road 23. It would seem to me, from what the technically preferred route and the assessments are, that Durham road 23 would be the least preferable option, and that all of what you're undertaking here, these reviews and so on, are at the political desire of the town of Whitby as opposed to what is required under the environmental assessment.

Can you give me some kind of assurance that the route that is going to be determined is not going to be made because the town of Whitby politically doesn't like it, but that it is in fact the environmentally most preferred route, that all of the studies which now amount to a pile about yea big are not going to be just cast aside simply because the mayor of the town of Whitby and a few councillors don't think it's a very good place to put a link?

Mr Vervoort: It wouldn't be appropriate for me to comment on which of the alternatives—regardless of which interest groups might support it—will be the successful alternative to be implemented. The integrity of the process depends on it being open, available to all to express and have their interests heard, for those interests to be assessed. It's the obligation of the Ministry of Transportation to make a recommendation on what it feels, on the balance of all of the information before it, is the best alternative. That is our responsibility.

It then falls to the Ministry of Environment and Energy to review that recommendation, the strength and the integrity of the processes that were used to arrive at that, to ensure that it is satisfied that the recommended alternative is the most appropriate. I simply say to the committee that all interests are equally weighed.

Mr Wiseman: We'll leave that. If my committee members have nothing, I will continue.

The next question I have has to do with the 401. You made a comment that the 407 would be useful because of

the volume of goods that is transported between Whitby and the Oshawa GM plant. If that's the case, then why are you building the 407 in Durham when a widening of the 401 would be more appropriate given that the traffic flow is to the south?

Mr Guscott: My comment was with reference to total traffic movements. Traffic which is not bound to Whitby from Oshawa but rather is either destined for Toronto or to bypass Toronto would have an option. Therefore, you'd have less volume on that portion of 401, and therefore, just-in-time deliveries would be better able to meet their targets.

Mr Wiseman: Then the question that I have is, given the 401-407 link and given that the volumes are already extremely heavy on the 401, what are the plans to expand the 401 in those areas, because the volume of traffic coming down the 401-407 into that corridor where there are only six lanes, three in either direction, would really overburden that system if the 401-407 link is built there. And it doesn't make a lot of sense, at least to me, that you would want to really increase the volume of cars and the volume of trucks at that 401-407 linkage at the 401.

Mr Guscott: I guess they come together or go apart, depending on which direction you're heading to begin with. So in actual fact, it can lessen the car and truck traffic in a westerly direction. But the factors that you're describing are exactly what goes into highway planning. Those are the aspects that we model to ensure that we have adequate capacity to meet anticipated needs. And they are cast well out into the future, into the 20-year time horizon.

Mr Vervoort: Let me just add two points to what Mr Guscott has said, and that is that the analysis of the north-south connections between 401 and 407 include in them the appropriate improvements necessary on 401—for example, the type of interchange configuration that would be appropriate to make that particular connection work effectively.

Secondly, you asked a question pertaining to our current plans for the widening of Highway 401. At the present time, we have in our five-year capital construction programs plans to widen Highway 401 easterly to Brock Road. We have no commitments or plans at the present time for widenings or improvements to 401 beyond Brock. The planning work, however, that would cause any proposed improvements to Highway 401 would emerge in part from the two pieces of work I referred to earlier: the network overview as well as the review of the north-south link in the vicinity of regional road 23.

Mr Wiseman: In terms of time frames on your expansion of the 401, are they being met or are you ahead or behind or on schedule with the expansion of the 401 over the Rouge and the building of the bridges and, of course, the taking out of that whole bridge section at Rougemount?

Mr Vervoort: Yes; in fact, if you've driven there in the last week—

Mr Wiseman: How about this morning?

Mr Vervoort: —the bridge at Morningside came down last week and it is clear through there. Traffic has

been moved over in the eastbound direction on what is part of the new collector system right from Neilson Road easterly to a point just west of Highway 2 at the Rouge. Construction is proceeding. We had a delay initially in the award of the contract for the building of the bridges across the Rouge. We had anticipated that that work would be approximately three seasons long. The current prognosis is that the pace of construction is faster and we may recover the time that we had lost due to the delays in the environmental approvals in the award of that contract.

Overall, we are going to be challenged to meet our date of 1997 and are currently in particular looking at the modifications necessary to allow us to sustain that delivery date. We're not prepared at this point to alter that date. But we do appreciate that it is going to be a challenge to meet it.

The Vice-Chair (Mr Ted Arnott): Thank you. The time for the New Democrat caucus has expired and I now turn to the Liberal caucus. Mr Daigeler.

1420

Mr Daigeler: I just briefly would like to pursue that question of the truck safety that was raised by my colleague from the Conservative Party because I think we too are very concerned about what appears to be a very significant failure of certain truckers and certain truck companies to look after the safety of their own vehicles.

I understand, however, and perhaps the minister can correct me if I'm wrong, that trucks that looked unsafe were pulled off the road. In other words, the high percentage of safety failures is somewhat influenced by the fact that you were already targeting on a group that wasn't looking too good. Obviously, if you use a select group that looks suspicious from the beginning, you're going to get a higher failure rate than if you take the general population of truck drivers. So perhaps this could be explained to me.

Hon Mr Pouliot: Mr Daigeler, there are specific criteria that are attached to our database: how we function, how we do business, what motivates us into pulling trucks over. Kim, in a broadly summarized form, would you please benefit us with your expertise? What happens and what are the criteria?

Mr Devooght: Certainly during normal periods of operation or during targeted blitz operations we may do that, but the specific numbers that we referred to, the 42% out-of-service criteria, came during a North American-wide exercise called Roadcheck '94, and I'm sure you're familiar with that. There are agreed-to standards as part of the Commercial Vehicle Safety Alliance, which is a North American-wide organization that we belong to, and part of that is, in order to ensure that we have good, solid baseline data year over year, the inspections must be completely random.

Mr Daigeler: Completely random.

Mr Devooght: They're completely random. Basically, the way it works, certainly in large truck-inspection stations, is that when a vehicle is completed and sent out of the station, the next vehicle is pulled in, regardless of condition; as simple as that.

Mr Daigeler: That's the answer I was looking for, and frankly it disturbs me greatly, because really the high percentage is then based on, as you say, random selection. That is something that I do hope the ministry will continue to pursue aggressively, because the public will not tolerate these kinds of figures.

I would nevertheless like to ask, because some of the truckers have complained about the accuracy of these figures: How do these figures relate to other provinces and perhaps to other states?

Mr Devooght: I don't have data for other jurisdictions other than a complete picture for all of North America. So I don't have figures for Quebec or any corresponding US jurisdictions, but I can tell you that during the Roadcheck '94 exercise, there were approximately 3,000 state, provincial and local officials who took part, inspections were conducted at over 300 sites and 46,373 vehicles were checked. Of all of those, 11,546 vehicles, which is 25%, were placed out of service. So it's a significantly lower percentage than the Ontario data, and we ourselves tried to understand why that is. I think there are a couple of reasons.

The first reason is that I believe, and I think we believe, our officers right now are probably more highly trained than any other inspection force in North America. They've gone through two years of recurring training, they know what they're looking for and their ability to spot mechanical defects I think is significantly higher than in other corresponding jurisdictions. A number of those places have not completed CVSA training at all. So we know that some jurisdictions, for example, did in the range of 2,000 or 3,000 inspections and had an out-of-service rate of 2%. Well, you know that can't possibly be possible. It's the same vehicles running back and forth. So it's a question of training on the part of the others. So we're not sure that we place a lot of validity in anybody's data but our own as far as this is concerned, because everybody has different testing criteria.

Be that as it may, when you look at Ontario's results from past years and Ontario's results from this year, we are quite disturbed by that—more than quite disturbed; alarmed is a good way to characterize it. As the minister has said, we have had discussions with the trucking industry. We've been quite blunt with them about what we intend to do. We've taken action on the staffing front, taken action on the technology front and are looking at the sanctions process as well. So we're moving on a number of fronts to turn those numbers around.

Mr Daigeler: Just one final question on that truck safety issue: Do you have any kind of figures on the origin of the offending truckers or the offending trucks? Are all of them Ontario-based, or are they US-based?

Mr Devooght: I haven't seen that level of analysis yet. We can get that to you, just by jurisdiction.

Mr Daigeler: I'd be interested in that.

Mr Devooght: One thing I can tell you is that there is a general correlation between the age of the vehicle and the percentage out-of-service criteria. That would seem to be obvious, but what that tells us—and I don't have those data in front of me, but we have a chart that

we could provide to you; I just saw it last week—is that companies are not paying the attention to routine maintenance that they should be. There's no reason why a 1985 vehicle shouldn't be as safe as a 1995 vehicle. So we believe that's a significant issue. We can share those data with you.

Mr Daigeler: I'd certainly appreciate anything in writing that you can share with us. That's not a thick book, but nevertheless that—

Mr Devooght: We're still completing the analysis of the data ourselves in terms of figuring out what other clues are contained therein and what else we can do in terms of targeting specific programs.

Mr Daigeler: That would be useful, and perhaps in writing, although presumably we're going to get the Hansard for it, as to the province's own actions, as to how you're dealing with this matter. I think this would be useful, so thank you very much.

Pursuing some other questions, the next question that I had put on the record the last time we met: Minister, you said in your opening statement that spending on highway construction in Ontario has increased by 35% and capital spending for municipal roads is also up this year by some 37%. These are some pretty big figures. At the time, I asked whether that includes the federal infrastructure contributions or whether that figure of a 35% increase is really just provincial money, and frankly I doubt that very much.

Hon Mr Pouliot: I'd like Mr Davies to help us with capital spending.

Mr Davies: I'm going to give a general response to your question and then I can turn it over to Carl to give you some more detail.

The increase that the minister referred to is a combination of both what is in the printed estimates as well as the off-budget spending that is now occurring on Highway 407. Because there is revenue associated with Highway 407, it is legitimate for it to be budgeted in a different way. The expected spending by both the ministry, because we had started a number of the structures directly as a ministry, and by the private consortium which is now undertaking a very ambitious, fast-paced construction program for Highway 407, is \$300 million in this fiscal year. So you can see how adding that \$300 million on to the ministry capital base—

Mr Daigeler: So the 35% increase, then, represents the provincial money and the private money and the federal money?

Mr Davies: There is almost no federal money that will be coming in other than through the strategic infrastructure program, where there is approximately \$20 million that I believe we expect this year, and some of that is going into grade-level crossings.

Mr Daigeler: There's certainly money, for example, in the Ottawa area spent on the Hunt Club—

Mr Davies: That is part of the \$20 million we are receiving from the federal government through the strategic infrastructure program.

Mr Daigeler: So again, all of these contributions from the other partners are calculated into this figure of an

increase of 35%, obviously the point being that I think it's somewhat unfair for the province to say, "We're increasing our spending by 35%," when really the money is coming from several other partners.

Hon Mr Pouliot: A buck's a buck.

Mr Daigeler: Yes, a buck is a buck, quite correct, Minister, but I think the reporting of the buck so that our electorate knows properly where the money is coming from is important. I think we should be very careful in the way we will go around, I guess. Probably in the next election they'll say, "We increased provincial spending by 35%." I do hope you will indicate that this includes several other partners, where the funding is coming from.

1430

Mr Davies: Could I ask Carl Vervoort to provide you with some more detail on that breakdown?

Mr Vervoort: Mr Daigeler, the number you referred to is indeed 35%, and that does include recognition of a number of different programs, not only under the Ministry of Transportation but also investments in transportation under the estimates of the Ministry of Northern Development and Mines.

Mr Daigeler: This sheet is getting better by the minute.

Mr Vervoort: The numbers, generally speaking, are that last year, using similar categories, the expenditures on roads and highways would be \$1.17 billion; for the 1994-95 year they would \$1.378 billion. The extent of federal contribution in those numbers is \$80 million. So notwithstanding the comments made earlier—

Mr Daigeler: So it wasn't \$20 million; it was \$80 million all of a sudden.

Mr Vervoort: —the percentage is, by and large, closer to the 35% even if the federal participation were discounted.

Mr Daigeler: Would you repeat that last comment?

Mr Vervoort: The federal participation in the numbers that I gave was in the order of \$80 million.

Mr Daigeler: You said something that 35%—

Mr Vervoort: I'm saying that if one were to remove the federal government participation in the numbers, the numbers would change modestly. As I said, for the purposes of comparison, last year was \$1.17 billion; 1994-95 would be \$1.378 billion. From the \$1.378 billion one would subtract about \$80 million to come up with a number excluding federal participation. So it would be a comparison, roughly, of \$1.0 billion to \$1.3 billion, still a 30% increase in investment activity by the provincial and municipal levels.

Mr Daigeler: Okay, thank you very much. The deputy minister just indicated, and this was also mentioned in the minister's statement, with regard to the 407, that \$300 million—in the statement the minister said "could" be spent on the project this year. I think the deputy minister just said "is" being spent or "has been" spent. Could you clarify that a little bit for me, as to whether this amount will be spent this year or approximately what kind of amount will be spent on the 407 this year?

Mr Davies: We are anticipating that \$300 million will be spent this fiscal year, and that includes the expenditure that's taking place on eight Ministry of Transportation contracts. I believe the figure for the eight contracts for structures plus the cost of some of the remaining land acquisition—almost all the land has been acquired over the years—this year is approximately \$120 million or so, give or take \$10 million. I'd better be more careful with my figures or I'll have an ADM correcting me.

Mr Daigeler: So there is no indication at all that there would be any kind of snag.

Mr Davies: No. The last report I had on Friday was that the project is fully on schedule and that we will see the first 36 kilometres of Highway 407 open as a toll road by December 1996, so we're 27 months away.

Mr Daigeler: Again, the minister referred to a saving of \$300 million through the new funding arrangement, through the private consortium. Could you put on the record again what that \$300 million saving entails?

Hon Mr Pouliot: The \$300 million saving or thereabouts was said *grosso modo*. Its main component is economy of scale. The bigger the contract, the more opportunities for saving, and also value engineering. But to detail those two components, and there are others of lesser importance, I'd like to ask our assistant deputy minister, Carl Guscott, to tell us how you save close to \$300 million on the 407.

Mr Vervoort: My colleague Dave Guscott and I will respond. Let me begin.

There are a number of features associated with the design of Highway 407, as initially conceived, that were reviewed. In one instance we took a look at both the number and timing of interchanges that were located along its entire length, and there were some adjustments made to the nature and timing of construction of some of those interchanges. There was a review done of some of the horizontal and vertical profiles associated with the road. There were changes made to the nature and extent of illumination that would be located along Highway 407. There were changes made to the actual configuration of interchanges themselves, a principal contributor to savings being the ability to remove structures or bridges separating roads where they were being replaced by loops at a more economical cost. Those constituted the principal areas that savings were achieved. There were a number of other ones as well, but those were the principal ones.

Mr Daigeler: Is it really fair, however, to name as saving what you just described? I think from what you're saying, these are really design changes, and if we would have designed them differently in the first place obviously it would have cost us less money. We're building fewer interchanges and we're doing the interchanges differently. From what you seem to say, we're cutting out some lighting and therefore it costs us less money. I'm a bit concerned that the political argument was that this private consortium is going to build this, up front, for \$300 million less and therefore it's so much better. But the reality, if I understand it right, is that they've been asked to build less and therefore it costs less.

Mr Vervoort: We believe it is fair to attribute that as a saving because those expenditures would not be made. The analysis relates to the appropriate timing of improvements in a manner that is supportable by the revenues that would be generated by the traffic attracted to the facility. In that sense, with the toll being a new factor in the construction of Highway 407, it becomes an important dimension in terms of the economic payback to, in this case, the consortium which is the builder of that facility. So we believe the character of the facility being different is a direct consequence of it being changed from a straight highway to being a toll highway, having to support and attract revenues from those tolls at a time that those revenues would be coming consistent with minimizing the cost of actually building the highway.

Mr Daigeler: A different question now, because there are obviously quite a few things and we only get a few chances to ask questions: I had mentioned the last time we met that I would like to hear a little bit more about the relationship between your ministry and the new Ontario Transportation Capital Corp. What is the exact process? Also, since we have the House leader here, perhaps at one point we will have to take a look at how, for example, the Ontario Transportation Capital Corp fits into the estimates process, what's the reporting relationship and how often do they report to you? If you can enlighten me in this regard, I'd appreciate it.

Hon Mr Pouliot: Yes, indeed, and in the right order. So does Mr Davies, and he will guide us through the exciting and relatively new Ontario Transportation Capital Corp. Also, it's certainly a privilege, if you will allow me, Mr Chairman, briefly to welcome none other than Murray Elston.

Mr Murray J. Elston (Bruce): It's always a pleasure.

Hon Mr Pouliot: It's a renewed pleasure indeed. It's been over two months and it's been our loss, so it's nice to see you, Murray. We hope that the summer has been most profitable.

The Chair: I was just going to indicate that when Mr Elston was the minister, I always got straight answers from him. I always like to see him at estimates.

Mr Elston: I was actually quite pleased. I've been doing almost a month and a half of driving now to see what photo-radar is really like, only I've been very temperate on the thoroughfares.

Mr Daigeler: We'll get to that later.

Mr Elston: I'm hoping that we get a chance to examine that later, and I thank the minister for welcoming me.

The Chair: I respect that this is your caucus's time at the moment, but are you comfortable with the three minutes remaining?

Mr Daigeler: There was still an answer coming from Mr Davies.

Mr Davies: Not only do I serve as deputy minister, but I am also the acting chair of the Ontario Transportation Capital Corp board. We have an interim board that is in place under the memorandum of understanding that we have between ourselves and treasury board and Management Board. We're responsible for providing reports to the minister on a quarterly basis, but of course

as chair I ensure that he is also informed of any developments as they occur on a regular basis. We have day-to-day contact.

1440

The minister, as you know from the legislation, is responsible for the corporation and can provide policy direction to the board at any time that the minister judges fit. The corporation is a schedule 4 corporation. The employees of the corporation are public servants. We have seconded a handful of people into the corporation to serve as staff and we have some people directly on contract as well. In addition, the corporation acquires expertise as it sees fit in carrying out its responsibilities. We're also into the final stages of recruitment of a CEO for the corporation, and I would hope to put the minister in a position where he'll be able to report on that within the next month or so.

We are also, with the minister's assistance, actively trying to recruit private sector members for the board, although quite frankly it's difficult to find people with experience in the transportation sector who do not have some conflict of interest, because most of these people have maintained their involvement in the transportation sector. So the interim board at the present time is exclusively public servants.

I'm here to answer any specific questions that you may have of the corporation, either directly or through the minister.

Mr Daigeler: So you are the acting chairman of the board?

Mr Davies: Yes, I am.

Mr Daigeler: How long is that planned for? Is there a search as well for a regular chairman of the board? How does that work?

Mr Davies: It is an order-in-council appointment and therefore it is up to the Lieutenant Governor in Council to replace me. I must say the CEO is also an order-in-council appointment, but I have instructions to head up a search board to find that individual and that's what we are now doing.

Mr Turnbull: Minister, did MTO provide CHIC with all of the interim financing for the 407?

Hon Mr Pouliot: Mr Davies, on the 407.

Mr Davies: The interim financing for 407 that is now being provided is by the Ontario Transportation Capital Corp and it is being raised through the Ontario Financing Authority. So there are decisions of the board of directors of the OTCC—

Mr Turnbull: Have they received funds so far?

Mr Davies: Yes, they have.

Mr Turnbull: How much have they received so far?

Mr Davies: There is a \$75-million advance that was part of the contract and they're drawing on that.

Mr Turnbull: Are you raising bonds to finance this?

Mr Davies: This is being financed on the advice of the Ontario Financing Authority; it's short-term paper at the present time. I believe the last approval that we gave went out at 6.02% for 30 days.

Mr Turnbull: This is short-term paper that—

Mr Davies: Yes, it is.

Mr Turnbull: —the Ontario Transportation Capital Corp has raised itself.

Mr Davies: The board makes the decision on the recommendation that the Ontario Financing Authority arranges for the financing. So they are constantly reporting to us what the current interest rate levels are that they would charge for our borrowing and they advise us on whether we should be borrowing short, medium or long.

Mr Turnbull: Who are you borrowing from at this moment?

Mr Davies: It's all part of the consolidated portfolio of borrowing that the Ontario Financing Authority arranges for. So if your specific question is—no, there have been no bonds and there has been no borrowing done in the name of the Ontario Transportation Capital Corp that would appear on a piece of paper, nor have we issued any bonds as 407 bonds, per se.

Mr Turnbull: So has this money that's been advanced in fact come from general revenue at this moment?

Mr Davies: No. It's come from specific borrowing that—well, I shouldn't say that. It's come from the Ontario Financing Authority, which is borrowing money for a variety of purposes.

Mr Turnbull: Is it borrowing from the sources of funds that CHIC had initially advanced?

Mr Davies: Money gets raised by whoever wishes to lend, so it wouldn't surprise me if the same people that CHIC would have arranged for money from are lending money to the province.

Mr Turnbull: Specifically what I'm asking is, it's my understanding that CHIC had some sort of contingency fee with the financing organizations where whether they drew it down or not they paid for it. What I'm asking is, are they avoiding paying this because in fact the government is borrowing through those sources and therefore CHIC doesn't have to come up with that contingent cost?

Mr Davies: The borrowing costs are being borne by the Ontario Transportation Capital Corp in the name of the project. They're not being borne by CHIC.

Mr Turnbull: I understand that, but I'm saying that whether they drew down the money or not, as they develop their proposal, my understanding is—I may be wrong—that in fact they would be liable for a certain fee for setting up that line of credit. Is that the case, because in that case you would be assisting them to be able to avoid paying that by drawing it down from those sources.

Mr Davies: Comparing what was proposed from them compared to what we are doing now is an academic comparison.

Mr Turnbull: Okay, let us move on. Turning to the question of subsidies for municipal transit, I note that there's been an increase of 1.4% over 1992-93 actuals, Minister. Now, I note that there's been a drop of ridership on municipal transit of some 20 million riders in the period from 1992 to 1993. There have been numerous studies which suggest that if transit operations were to be

contracted out, there could be savings in the 20% to 40% area. Why has MTO not forced municipalities to put these systems out to tender to reduce the provincial costs?

Mr Pouliot: Mr Turnbull, we have involvement, we have participation, but we don't have jurisdiction. We can't lean; we can't squeeze. The objective at TTC, TTC being the largest of public transit systems across the province, is to raise 68% of operating costs through the fare box. We've long established a formula whereby for the difference there's a shared onus. The municipality of Toronto, or Metro, if you wish, and the province of Ontario will share the difference. Supplementary, rolling stocks and capital expenditure are funded to the tune of 75%-25%. We're endeavouring to monitor as much. Someone says, "The fellow behind the tree can do it at 25% to 40% cheaper"—

Mr Turnbull: Okay, well, Minister—

Hon Mr Pouliot: It's my understanding that you have a collective agreement in force. You also have people who have been impacted through the social contract and other money-saving measures, and the system is doing quite well. We're constantly looking for ways, in partnership, to offer first-class service with first-class people at the best possible rate to the taxpayers. My understanding is that that's been achieved, sir.

Mr Turnbull: Minister, the bottom line is that since your party has been in office, you've been running a deficit—whether you admit it or not, the bond rating agencies point to it—of close to \$1 billion a month. The Ontario Motor Coach Association had a press conference in this building just a matter of weeks ago, and Brian Crow, the president, said that private companies can operate a bus for between \$45 and \$50 per hour, compared with the cost of publicly run companies in Kitchener at \$61.80 an hour, Windsor at \$54.73, Ottawa-Carleton at \$84.63 and Hamilton-Wentworth at \$66.95.

1450

You know, when you have deficits of this magnitude, in fact at any time, any government should be looking at ways of saving the taxpayers' money. It's quite a simple question: Why not ask for competitive quotes? And if the public sector can do it as cost-effectively, so be it. They should get the work. But in the interest of the taxpayers, should we not be forcing municipalities that get transfers from the province to at least have a go at finding what the best price would be? There are already municipalities in the province who do contract out their transit services. So why are you not mandating that they must at least put it out for tender?

Hon Mr Pouliot: Before I ask Mr Knox, let me, with respect, perhaps disagree as to what is the best philosophy. We operate from the motto, from the dictum, that if you can help provide a safe, efficient, reliable and consistent, affordable service accessible to all, and that vision is becoming reality more and more as we speak—

Mr Turnbull: Are you suggesting that the private sector can't do this?

Hon Mr Pouliot: Of course we are at times encouraging more participation in that newly found partnership with the private sector, better than was done under the

tutelage of other administrations, I might add, via the 42 consecutive years of the Progressive Conservative Party, succeeded in 1985 by the Liberal Party.

Mr Turnbull: I guess that's why you found that we are \$100 billion in debt in this province, because you've been so brilliant at managing.

Mr Duignan: Or like the Tories federally.

Hon Mr Pouliot: Well, I mean, that's not a—

The Chair: Order.

Mr Turnbull: Now, look, I'm asking why you are not mandating this. It's quite a simple question. Obviously you don't want to answer that. Let's move on to the next question.

The MTO was subsidizing Via Rail to operate commuter service to Brantford. There have been approximately 40 commuters a day using this service, and the subsidy has cost \$350,000 a year. That's \$8,000 per commuter. Now, in the 1994-95 estimates, I notice that this cost is not included. My question very simply to you is, have you hidden it or have you ended the subsidy?

Hon Mr Pouliot: Mr Guscott, have you ended the subsidy or hidden the subsidy?

Mr Guscott: The arrangement which had the Ontario government providing a subsidy to Via Rail for the Brantford service was intended over a three-year period to see that service grow. It did start off at a very low level. There were expectations in the community and on our part and on Via's part that the service would grow substantially in that three-year period. The growth did not take place, the three-year agreement expired December 31 and we're not paying the subsidy.

Mr Turnbull: Thank you. Another question on this anti-private-sector bias: The Wally Majesky report, which the government paid \$170,000 for. My question is, why did MTO staff in the end write a substantial amount of the report?

Hon Mr Pouliot: I'm not aware that this was done. You're right, the Majesky report was commissioned by MTO. It was a relatively small, manageable amount of money and it was sole-sourced. I think we've been through that blow by blow. It was the first time, to my recollection, that division. The ideas, the recommendations from the union sector were sought.

Mr Turnbull: Minister, you're not answering my question.

Hon Mr Pouliot: Certainly we have welcomed it to seek equilibrium and achieve balance, as you know.

Mr Turnbull: Perhaps you could ask one of your staff to tell me whether it is correct that a substantial amount of the report was written by ministry staff.

Hon Mr Pouliot: Ken Knox?

Mr Ken Knox: The answer to that is no. We did have one Ministry of Transportation staff on the advisory committee to the report, who, along with other advisory committees, attended meetings and took part in that way, but—

Mr Turnbull: There was no ministry staff writing this report?

Mr Knox: There was no ministry staff writing this report.

Mr Wiseman: Do you believe him?

Mr Turnbull: You've got your opportunity to ask questions afterwards.

Hon Mr Pouliot: It's very well written, so I can understand.

Mr Turnbull: As you well know, there were several very derogatory cartoons in here which cast the private sector in a very bad light. The bus operators' association, the Ontario Motor Coach Association, has asked for a public apology for the bent of this. You've spent government money. It's filled with cartoons and rude remarks about the private sector. There's absolutely no substantiation whatsoever in here of the claims that they're making about what is wrong with the private sector, yet it is sanctioned by your ministry and paid for by the taxpayers of Ontario. Why? Why have you not issued a rejection of this?

Hon Mr Pouliot: You're quite right. In formulating our policy, when we seek balance, equilibrium, the opinion, the philosophy division from all who are active in our society, MTO will disregard the cartoons, and if they have offended your sensibilities, I'm sure the authors or the creators of those cartoons would apologize if they deemed so. But we're more intent on the written word, as, again, we come up with a balanced approach to transportation. It was an opinion that we sought, it's an opinion that we received and we ourselves paid little attention to cartoons. So if they have offended—

Mr Turnbull: Are you going to publicly apologize for this, for the appearance in this, that the taxpayers have paid for?

Hon Mr Pouliot: Oh yes. If at one time I find that an apology is necessitated, I will indeed.

Mr Turnbull: Well, you've been asked for that by the motor coach association.

Why did the ministry decide, after the contract had been given, to pay additional moneys for the printing and binding of this report?

Hon Mr Pouliot: Mr Knox?

Mr Knox: I don't have the detailed information on the timing sequence of that contract and the printing of it, but my understanding is that the contract that was let was to do the research and prepare a report and that it was felt that that should be broadly distributed, so copies of that were duplicated to send out. But I don't have the amount of money that was associated with that.

Mr Turnbull: It was several thousands of dollars, and it seems to me this is something the ministry should have control of when they give out contracts. It leaves a very bad taste in the taxpayers' mouth when they find after the fact that some of your union buddies are getting thousands of dollars extra.

Are you aware, Minister, that Gary Majesky, who is Wally's son and worked on this report and was paid for this, is using this material as part of his campaign for municipal office in Clarington?

Hon Mr Pouliot: No, I'm not aware. I have been

asked to help run the affairs of Transportation Ontario, along with my colleagues, and we're far too busy to engage in witchhunts, to impute motives, to go to the municipal level, and people are plagiarizing, paraphrasing whatever ism. We're too busy at Transportation to dim the lights and to spook or scare one another. So I don't give full validity to that kind of question. It comes under ambiguous, nuance or whatever.

1500

Mr Turnbull: I see you're an awful lot more comfortable than when I was asking you questions about 407; maybe I should return to that. My suggestion to you is that when you have these reports which are made—this was never tendered. It was Wally Majesky who suggested this report should be done and they went out and got a contract. As you say, we've been through this many times. He produced this report several months late—many, many months late. You paid extra for the report to have it bound, which was not in the original contract, and it's very, very abusive of the private sector. In reading through it, forgetting the cartoons, it is very, very anti-private-sector, and for the government that wants to suggest that Ontario is open for business, boy are you sending the wrong message with this.

I would suggest that you should refute this report and say that Ontario is open for business and that you don't agree with the findings of this report and the rather offensive cartoons. I can tell you that people in the private sector transportation industry are very offended at cartoons like this, showing a bus being knocked off the road by a truck. The Ontario Trucking Association is a very responsible organization and absolutely refutes that suggestion, and pictures which suggest that somehow private carriers are evil and text that suggests that and suggests that they're taking shortcuts with safety are absolutely the wrong way of suggesting that this province is open for business.

Turning to the Ontario Transportation Capital Corp, your projections all showed that you would have revenues which would be generated through the corporation from vehicle licensing fees and various other fees: permits and so forth. It's quite obvious that the ministry's own statement of revenue and sources are declining. How will the Ontario Transportation Capital Corp become self-financing in this case?

Hon Mr Pouliot: You're interested in what portion is being dedicated, and maybe you would also like to see what the overall general fund sums are, one in relation to the other?

Mr Turnbull: Are you going to dedicate some of that revenue?

Hon Mr Pouliot: Who's funding? How is the Ontario corporation funding? Where is the money coming from? Mr Davies.

Mr Davies: There was a specific bill which provides for dedicated funding to the Ontario Transportation Capital Corp in addition to the funds that are earned from revenue-earning projects such as 407, and that bill received royal assent in the last week of June. So there is a portion of vehicle licence fees that are now being

allocated to the transportation capital corporation sufficient to cover the carrying costs for the projects which the Ontario Transportation Capital Corp is being asked to undertake by the government.

Mr Turnbull: Has the Ontario Transportation Capital Corp completed its revenue projections?

Mr Davies: Yes. We have a business plan.

Mr Turnbull: Can we have those made available to us?

Mr Davies: I will undertake to do that.

Mr Turnbull: Of course this is somewhat repetitive of what I said before, but in view of what the bond rating agencies have said—certainly reading the *Globe* last week the Dominion Bond Rating Service is not too enamoured by this province's state of financial affairs—do you believe that you're going to have some difficulty in raising capital, because you have no track record in this corporation?

Mr Davies: Well, there's a significant difference between Highway 401 and Highway 407 in terms of how our rating agency would look at a provincial liability associated with those expenditures.

We felt that it was critically important for us to have a credible third party do the forecast of revenues on Highway 407. There are three internationally renowned forecasting firms that produce what are loosely termed bankable forecasts for these kinds of projects. They are all American companies. We held a competition, and as a result of that competition, it was Wilbur Smith that won the contract.

What we have is a forecast of revenues and traffic for Highway 407 that will be used, is being used, in the marketing of Highway 407 with the financial intermediaries and with the rating agencies, and so it is essentially that the Wilbur Smith—that firm is Wilbur Smith and it'll be the Wilbur Smith certification of revenues. Therefore, the notion that somehow 407 is no different than Highway 401 and both of them should be lumped into consolidated provincial liabilities or consolidated provincial borrowing, I think is an incorrect notion. They are quite different.

So far, the Wilbur Smith forecast still shows that the cost of 407 compared to the revenues will result in sufficient revenues to cover those costs.

Mr Turnbull: Specifically then, deputy, in view of the fact that you said you weren't aware of any opinions of the bond rating agencies, will you undertake to discuss this issue with the bond rating agencies and get advice and get back to me on this as to whether in fact they accept that this is not part of the general liabilities of the government and off-book?

Mr Davies: I will endeavour to do that.

Mr Turnbull: I would like to see that within a reasonable timetable, because this is something which surely the government should have done before this point.

Mr Davies: Let me just say that the discussions that have been held between our financial advisers and the rating agencies have indicated every confidence in 407 as a new way of doing business and as a viable project, but

until we are in a position where we are sitting down marketing a portfolio of investment instruments in 407, we are not going to get a clearly defined opinion from the rating agencies. Those discussions have yet to take place and, at this stage, we're only reaching the stage where those discussions are relevant. So for anyone to comment on the level of information they currently have on Highway 407, in terms of its rating, is premature.

Mr Turnbull: Turning to the question of the technology to be used for collecting the fares, so to speak, on 407, the winning consortium has, I understand, a significantly different technology from the losing consortium in terms of the technology where transponders will be used, and a different collection system. Could you comment on that?

Mr Davies: I will comment on the tentative award that we have made for the tolling station.

Mr Turnbull: I'm sorry, on the what?

Mr Davies: We have made a tentative award of the contract for the tolling system to a group which is providing an all-electronic tolling system which means that users of the highway will have a frictionless trip across 407. It's a system which will use transponders in the vehicle to signal the time and the length of the trip and the people subscribing to those transponders will be billed accordingly.

We anticipate that between 70% and 90% of the users of the highway will subscribe to a transponder system. The remaining people who use the highway have the opportunity of paying on a per-use basis.

Mr Turnbull: Will that be by way of toll booth?

Mr Davies: No, there will not be a toll booth, there will be an image registered of their licence where they got on and where they get off. That image will be translated to the address of the individual and they will receive a bill accordingly.

There will be a significant difference between the rate charged people who subscribe to the transponding via the electronic system versus the people who are occasional users and we have to go to the extra billing expense of locating them.

1510

Mr Turnbull: As it was described to me, it was essentially a fine that was levied on people who didn't have a transponder who used the—

Mr Davies: It's a fee that reflects the difference in costs between people who choose to use the all-electronic system versus the extra capital cost and the operating cost.

Mr Turnbull: What sort of order of magnitude are we talking about?

Mr Davies: In terms of the fee, as I mentioned at the last meeting, we're looking at a rate of between seven cents and nine cents per kilometre for the average user, depending on the time of day, who would be using the all-electronic system, and we're looking at a fee of between 50% and 75% higher or 11 cents to 12 cents a kilometre for people who would be just taking an occasional trip, with a minimum of 75 cents for the occasional

user. I believe that's approximately, David.

Mr Turnbull: And the method by which this will be billed?

Mr Davies: The design of the specific billing system is being looked at now by the winning consortium. The winning consortium for the tolling system is Bell Canada, Bell Sygma, Hughes, and Mark IV. Bell Canada has a billing relationship with over 95% of the households in Ontario and therefore has the means to provide significant economies of scale in providing people with the bill.

Mr Turnbull: What will be Hughes's portion of the business?

The Chair: This has to be the last question in this round.

Mr Turnbull: I was just saying what Hughes's activity in this will be.

Mr Davies: Hughes is providing half of the transponders. They are providing much of the hardware and software, particularly the Hughes optical division in Midland. We have a commitment from them that they will be providing the optical system. But the lead in the tolling consortium is with Bell Canada, so Bell Canada is the overall project manager and is providing the financial guarantees of performance and the commitment to liquidated damages.

The Chair: I'm sorry, Mr Turnbull. We'll come back to that, but I have to move to Mr Lessard at the moment.

Mr Wayne Lessard (Windsor-Walkerville): My question has to do with roadside signage for tourism destinations. I became aware of this issue as a result of a request from a constituent in the Windsor area who was asking about placing a sign to direct customers to his pro golf academy near the city of Windsor. I thought that would be a simple matter of being able to place a sign along the road designating that. However, upon investigation I found that you could put a sign on the side of the road for golf courses but not other types of golfing-related institutions.

I was also advised that there was some work taking place with the Ministry of Culture, Tourism and Recreation to try and make it easier for people with tourism-related facilities or other types of recreational facilities to be able to have signs on the side of the road to direct customers to those places.

I wonder if you or someone here could provide me with some information about the progress that's being made to do this.

Hon Mr Pouliot: Very well. Mr Chairman, without bias, perhaps the most relevant question we've had so far. We can answer the question and the timing couldn't be better, Mr Lessard. We can answer the question in the general or in the specific. Both Mr Guscott and Carl have just stepped out. Mr Knox will deal with the general overall theme of signage.

Mr Knox: The situation with the signing on the specific golf facility that you're questioning, I understand, is a domed facility. There has been a policy jointly developed by the Ministry of Culture and Tourism and the Ministry of Transportation which deals with trying to ensure that tourism activities or facilities are recognized

but yet there is some control over not having too much visual activity for the motorists to observe.

There are two aspects to this that are worthy of note. One is that we are currently experimenting with a new tourism signing policy in cooperation with the Ministry of Culture and Tourism, and not down in the south-western part of the province but rather in the north and in the east, where we are looking at different kinds of signs available on the roadway and the amount—there's research going on this summer and fall as to the extent or the number of signs that motorists can comprehend in going down a roadway, which can assist the tourist to find their destination. That's the sort of general comment that's going on.

There is through that process a committee that is trying to pursue what the policy would look like given the number of signs that might be available. Along with that, the creative option that both ministries put together was that we would engage the local tourist industry in helping to decide what the local criteria would be, so that's an added dimension depending on the local tourist industry as to what signs might be appropriate.

To more specifically talk about the Dome and the reason it currently doesn't comply with the policy, the policy states that there needs to be a minimum of nine holes of regulation golf in order for a facility to qualify to get a sign; that there must be a pro shop or rental shop associated with it; that they have some sort of building or lodge—in other words, that there is some value added aspect to this at least nine-hole golf course in order to register for a sign; and that it be open to the general public during golf course operating hours. I'm sure this one would be open extended hours because they could operate longer than that, and also that they be listed in the Ministry of Culture and Tourism's golfing publication.

So the answer is, they don't currently qualify under the current signing policy, but I'm not sure the operator should be in dismay, because of the review that's going on and the research going on for an extended policy to cover a lot of tourist activities. Certainly we are well aware of the situation and also where, in other parts of the province, there are domed facilities which are a new venture but are also gaining in popularity which might, from the local tourist point of view, sort of change their perspective as to whether or not they might be acceptable locally.

The Vice-Chair: Thank you. Mr Dadamo, do you have a question?

Mr George Dadamo (Windsor-Sandwich): Yes, thank you very much. From golf we swing into photo-radar if that's okay, and absolutely no pun intended. I wanted to use the session in the next few minutes to not have specific type of questions, but to allow ministry people to come to the microphone if they would and sort of bring us up to date on the system; exactly what we've seen in the last three weeks or months since we've had implementation of photo-radar; what type of results have perhaps come back to the ministry etc.

Interjections.

Mr Dadamo: There are hecklers everywhere.

Hon Mr Pouliot: Thank you, Mr Dadamo. Mr Chairman, briefly, departing from protocol, but it's certainly in keeping with good ethics, I want to pay tribute to my colleague and a friend, George Dadamo. I'm not aware of anyone—there were many—who was more dedicated, more committed and has done more to—

Interjection: Photo-radar.

Hon Mr Pouliot: —push forth safety initiatives—you're right on, photo-radar is one of our safety initiatives. We're proud of it. It has changed the attitude of some. We're already noticing it on major highways. Fortunately, we're advised that it is not yielding the kind of money, but you will recall vividly that while the others choose to talk about money, we talked about lives and maybe that is what differentiates a commitment from an opportunity if you wish. We saw it in terms of a human dimension. Eleven hundred people lost their lives on the roads and highways in the province of Ontario last year, and fully one sixth was due to an accident—people exceeding, surpassing the posted limit. We seized the opportunity and we're establishing a reputation for doing that. It's not a verbal pat on the back for saying you have the obligation, morally and otherwise, to initiate those initiatives.

More importantly, or more specifically, I'll ask him to share his expertise and what is the latest database on the 400 series.

1520

Mr Devooght: Mr Dadamo, all I can offer you at the moment is maybe some additional information from the project team and what the OPP are telling us anecdotally. We are getting our first set of live data from the integrated safety project team and the Ontario Provincial Police on September 15. We won't have that before then.

What I can tell you is that as far as the project team is concerned, I think in fact it was reported in the media as well, the first wave of tickets have been mailed out, and the equipment is working properly. In fact, the vast majority of individuals who are receiving these tickets are just paying them. I think there have been two charges that have been contested at this point and two individuals as well have asked to meet with the local prosecutor, which is their right under the new legislation. So that process appears to be tracking along and the project team seems to be quite happy with that.

In terms of numbers of offences that have been sent out so far, I have the same information that you probably have, which is that they're in the range of a number of hundreds of offences.

As far as the impact on speed and traffic is concerned, we have asked for data. We had loops and sensors installed in the roadways so we could monitor traffic before the photo-radar signage went up, when the signs went up and then after photo-radar was implemented. We don't have the results of that yet, although we expect it shortly. Granted, that will be operational data from the first few weeks, so I'm not sure you can draw a lot of safety conclusions from that, other than immediate impact of the implementation of photo-radar.

Anecdotally, what officers are telling us who've been on the roads is that the traffic is slowing down and it is having a significant impact.

Mr Dadamo: I've been driving from Windsor down the 401 quite frequently now so I'm noticing the slowing down as well and I'm becoming a little more cognizant too.

Mr Devooght: That seems to be the report from the officers on the road.

Mr Dadamo: But I'm not any different than anybody else in driving and sometimes over speed. When you see the signs, how soon after can we expect to see the system being set up? You see the signs and then you know exactly you're in the territory of photo-radar.

Mr Devooght: And that's all the signs are intended to do, because the whole provincial highway system is not being monitored by photo-radar. The idea of the signage was to indicate to individuals who are entering part of the pilot area where photo-radar is in use to provide people with that notification. There is more signage out there than would be expected with a province-wide system, though it can be anywhere from the time the signs are in place.

Mr Dadamo: I was reading in the Toronto Star this morning that people are on the lookout for grey Astro vans that are on the sides of the roads and if you have something that looks similar to an Astro van, look out. I've seen two, by the way.

Mr Devooght: It certainly seems to have become a sport for the Toronto media to try to spot these vans.

The Vice-Chair: Mrs MacKinnon, you have a question?

Mrs Ellen MacKinnon (Lambton): Yes. I don't think it's any secret to anybody about my passion to have the permanent raised pavement markers put on our highways, or Cat's-eyes, as we sometimes call them. My question is, what is the ministry doing about it and when can we expect to start seeing them on the highways of Ontario?

Mr Davies: I'm going to ask Carl Vervoort to comment in detail on this. We have conducted some 37 pilot sites using different kinds of pavement markers. We have a significant operational difficulty with the overall cost of this kind of pavement marker that has been developed to date. We are working closely with the industry in trying to produce a marker that is cheap to install, cheap to maintain and that does not cause a significant disruption to our snowplows in the wintertime.

We are working on eight new models. The ideal model would be one that would be sufficiently pliable that a plow can go by it without having the plow jump and cause a problem with the steering for the driver and that will stay in place no matter how cold and has a very high level of reflectivity. It's our hope that one of the eight models we have now moved on to try this particular winter will be successful. Carl will be able to give you a more specific response.

Mr Vervoort: My information is along essentially the same lines, Mrs MacKinnon, as the deputy has indicated. We are going through a process of ongoing evaluation of

these products. There continue to be improvements made to them. As has been mentioned, one of our primary concerns is Ontario's climate and the snowplowing operations and the compatibility of having physical objects implanted on or below the road surface. As we get the results of our field testing, we'll be able to conclude the appropriate use of pavement markings, be they raised or flush with the pavement.

Mrs MacKinnon: It's my hope that the investigation into the way these are manufactured is very thorough, because as I understand it from my sources, these Cat's-eyes are becoming very, very sophisticated in that they are level and they withstand very cold temperatures. I understand in northern Michigan they're very prevalent and they don't have a lot of problems. I also understand that when they do become defective, it's just a case of prying them out and snapping in another one. It's my hope that we here in Ontario will be doing something about it, because I find driving with them extremely helpful.

I think we have to be very honest with ourselves, because I'm one of this particular crowd. Some of us are just a little older than some of the people sitting around this room today, and everything that you can put in a highway to help us keep safe and keep us safe from the other drivers would be very helpful and beneficial. So please don't give up on it.

Hon Mr Pouliot: I too value the experience of my distinguished colleague. Who's to refute the parallel, the analogy of northern Michigan, which has the same climatic condition as is experienced in Ontario? Their system isn't flawless. It has some pitfalls, some shortcomings associated with it. But anything that will improve safety, we're looking for a way to make it happen. A pilot project vis-à-vis safety for us is not whether you're going to do it or not, but how do you iron out the bugs and get it done?

Ken, would you like to shed some light on this issue?

Mr Knox: We have been doing research on what's commonly known as Cat's-eyes for a number of years and we're having difficulty in our environment with the snowplowing application. There are three things that are occurring. One is that when we apply sand and salt, as we do in Ontario, the sand and salt are getting into the lens area. Therefore, for the critical winter months, we're finding that visibility of the actual reflectant is diminished.

The other thing that is occurring is that there is snowplow damage to a percentage of those, and the statistics that I have seen indicate that it's not a simple matter of inserting a new one. There is an application process which requires the traffic to be altered in that part of the highway in order for workmen or women to put the new reflector in. There are also, in our research, as we're experimenting with different kinds of the reflectors, different applications that are available. That's indeed part of the research that we're doing, as to whether or not some are easier to replace than others.

Another aspect of this is snow removal. I haven't ridden in a snowplow as they have plowed a road with the Cat's-eyes on it, but we have seen a video that was

placed in the cab of a truck and it does cause the snow-plowing vehicle to slow to 35 kilometres an hour. Even though they're not up very much, there is enough of an indication there on the wing that it causes significant movement, in the cab of the truck, of the camera. We can plow on the roads where they are. We understand that. But we're slowing to 35 kilometres an hour, and I believe, Carl, the average speed of plowing is 70 kilometres an hour. It's sort of what we set for. So now we're into either plowing those areas more slowly or needing more trucks and drivers in order to clear the snow in a time frame that the driving public expects it to be cleared.

We are very much interested and continue to do research, and I believe there are five different models being experimented with during this coming winter. We're very hopeful that we'll be able to find something that's suitable to our winters and conditions here.

1530

Mrs MacKinnon: That's my hope too. Are you aware of some municipalities, and I know that some of them are right in my own riding, that are doing this on their own county roads? I was wondering if you are aware of them. If not, maybe you could gather some information from them, but perhaps you already know about it.

Mr Knox: Actually, we are aware that some municipalities are using them in critical areas, like around corners where there's significant concern about the delineation, but I think it's a point worth noting to gather that information because I'm not aware that we're including their data in our research, Carl, at this point. That's a point worth noting, and we both so note.

Mrs MacKinnon: I'd be only too happy to tell the municipalities at home that you would like that data. I will.

Mr Knox: Thank you.

Mr Vervoort: I might also add that while we are talking principally about permanent pavement markings, we do use those markers increasingly in summer conditions at our construction sites. You may have noticed in the last two summers in particular, particularly on Highway 401, that we have adopted increased use of pavement markers during detouring situations. So we believe there are appropriate uses for those particular devices.

Mrs MacKinnon: Yes, I have. Thank you very much. Have I any more time?

The Vice-Chair: You have about two minutes, Mrs MacKinnon, if you choose to exercise it.

Mrs MacKinnon: Further to all of the beautification that's being done along our highways and the volunteerism that's been involved in the various clubs or whatever you wish to call them that clean up the sides of the roads, and certainly that has been an extremely effective program, I was wondering if the ministry has any more initiatives in line in regard to volunteerism or beautification.

Mr Elston: We're looking for a volunteer minister and a volunteer deputy.

Hon Mr Pouliot: You're quite right that our efforts go somewhat beyond the adopt-a-highway, and now the

well-known adopt-a-highway, program. We're constantly looking for ways, not to save money—I think it's really secondary—but to get more people involved. Not only are they paying our wages; people pay for everything, and it's by way of involvement that you make more people not only aware but believers. People are innovative, adaptable, imaginative, and the general public comes up with the vision regarding tomorrow's transportation policy. But I know you want details, you want direct action as to what is being done and what will be done in the future. Mr Knox.

Mr Knox: The adopt-a-highway program and use of volunteers, the volunteers being very active in that, has been something that we have worked very diligently with, and we are really pleased with the interest of the public in working to keep the highways clean. I think it would be worthy of note, Minister, to indicate that there are 373 groups involved in that program across the province. There are seven groups involved with tree and shrub and wildflower planting, which was sort of an adjunct to the original program, which was litter pickup and keeping the roadway clear. There's one group that's involved with vegetative control and management. There are over 5,000 volunteers in total working with that program, and we're really pleased at that. That involves over 1,500 kilometres of highway that is being worked with by the volunteers.

Another aspect of volunteerism that we're really pleased with is an example of joint cooperation between a municipality and volunteers, at a local level, and the Ministry of Transportation. I'm referring here to a project which has been successfully launched on Highway 6 called the "Safe on 6" project, which is in the Hamilton-Wentworth region. Sparked by local interest and volunteers, the province and the local municipality, including the law enforcement officers there, have installed signs which indicate—it's similar to an experiment we did in the Belleville area on 401 where we installed a sign that indicates what the fine levels are for speeding through an area. In this case, the Ministry of Transportation has installed signs, the local law enforcement officers are aggressively pursuing those who break the law in that area, and the volunteers are ensuring that the public notice of that initiative is being well recognized by the public within the region. So there's a three-party—in fact, there are four in that case, because some local businesses assisted in the cost of erecting the signs on the side of the road to help the taxpaying public in that regard. So that's another area of volunteerism.

The Vice-Chair: Thank you, Mr Knox. The time for the New Democrat caucus has expired, and I'm going to again return in rotation to the Liberal caucus.

Mr Daigeler: I'd like to pursue, as the first item, the photo-radar issue that was raised by Mr Dadamo. It seemed to me, from the comments that were made by the ministry officials, that safety is being defined in terms of a reduction of speed. I think that would be a rather simplistic approach. Frankly, I'm not sure at all whether we can simply say it's speed that is the problem. I think it's the driving that's the problem.

I would like to know how you do define safety and, more specifically, what kind of system you have in place

to keep records, meaningful records, of hopefully greater safety results. I'm quite prepared, Minister, if you can put forward the figures that your photo-radar initiative leads to a significant reduction in accidents, that perhaps you're right. But I would like to know: How are you measuring safety and, in particular, how are you measuring the increased safety that you claim or you hope is going to happen through the photo-radar?

Hon Mr Pouliot: If we evaluate from the premise and if we believe that speed is a factor, that excessive speed kills, that you're less likely to be in full control at 150, 130, 120 than you are within the posted speed limit, then it reaches its natural conclusion. If we couple, if we choose to echo other statistics that tell us that accidents are on account of 85% driver error, a second becomes a fraction of that excessive speed. The faster you go, you begin to measure error on a different scale, rule of thumb: one out of six. And they all come from different sources, but there is a unanimity that you are more vulnerable, more prone, be it a combination of vehicle, of driver ability, of reaction time. When you speed, there's no getting around it. We all believe that.

What we do is we have deterrents, reminder and deterrents. Reminder by way of education, by way of ads. They're tell-tale, they're shocking, they're graphic. They're designed to be that way; they're fully impacting. Then you hit people in the pocketbook.

Mr Elston: Are you talking Rae days?

Hon Mr Pouliot: Not because—well, take a Rae moment to reflect on the logic of that great safety initiative.

Mr Daigeler: I think we've had enough moments now, Minister, and I would like to ask some other questions as well.

Hon Mr Pouliot: I know. Take a moment, Mr Elston, with the highest of respect, to reflect on the safety initiative. This is not bad news. This is not a tax grab. This is not an invasion of privacy. It is catching up with modern technology. It gives us an opportunity to better display, to better spread, if you wish, our police force. These are difficult times. Radar has been around for years. Aircraft patrol has been around for some time. We all recall this, some of us very vividly. You're catching up. It's voluntary. You're not going to pay. Our focus is on making the roads in the province of Ontario the safest in North America, whatever it takes. We're not impeding the normal flow of traffic.

Mr Daigeler: All I wanted to know, Minister—
1540

Hon Mr Pouliot: Witnesses will attest, Mr Daigeler, by way of conclusion, that in fact it's more normal. You don't close lanes by way of accident. It's more regular, more regulated. People get from point A to point B in the same time. For sure, you don't get to make a contribution if you keep within the posted limit. I cannot do rounds. I cannot be ambiguous and ask any one of our citizens to break the law. Quite the contrary, we're here to—

Mr Daigeler: Thank you, Minister. I think the time for opening speeches was at the beginning of the estimates. I think now—

Hon Mr Pouliot: I'm just answering your questions.

Mr Daigeler: —we're into questions and answers, and your answer seems to be that if you reduce speed, therefore you have safer roads. Frankly, I think that's simplistic. But, you know, you are spending so much time, because there are many other things. I would have liked your officials to tell me how they're measuring possible accident reductions, and I am prepared to be convinced. That's what I'm hoping to hear. What are you going to compare it with? Are you identifying certain roads? You have the accident statistics from the previous years. Are you going to compare this, let's say, after half a year and see what the accident reduction is where photo-radar was made? I think these are relatively straightforward and simple questions and I don't need a long speech to answer those.

Hon Mr Pouliot: Yes, yes, yes. You see, at the risk of having one of my distinguished colleagues engaged in competitive sameness by way of synonyms, I'd like to invite Kim to tell us about making our roads the safest in North America.

Mr Devooght: To try to address your question, maybe I was a little misleading before. We believe that speed is a contributing factor to collisions. There are many contributing factors, but speed is a contributing factor, and there are many road safety research studies that would show that speed is a contributing factor to 60% of collisions. We also know that, as the minister said, driver error is the cause of 85% of collisions out there. So we know that speed is a contributing factor. Now, how are we measuring the effectiveness of photo-radar?

We have collision data on every highway in the province. We know where every collision has occurred. So we have baseline data for this. We are measuring the success of this initiative in the same manner that we are measuring the success of all of the other initiatives that we've put into place over the last while; that is, the numbers of collisions, injury accidents and fatalities that occur per baseline population. The trouble of course is that it will take time to develop that kind of baseline data, so what you do in the short term is you look to other operational indicators to see whether it's having any kind of behavioral effect. I wasn't suggesting that speed alone is the only thing that we're interested in, because in the end what we're interested in strictly is fatalities.

Mr Daigeler: So you're keeping data on where the photo-radar was and then you will compare this, the accident statistics in that area. You'll have to keep the photo-radar, then, over a certain period within that area, presumably, in order to show with reasonable evidence that it was the photo-radar that reduced the accidents.

Mr Devooght: Yes.

Mr Daigeler: Is that what you're doing?

Mr Devooght: Well, I'm not sure you want to hear the whole research dissertation here, but one of the—

Mr Daigeler: Well, the minister's claiming it's a safety issue.

Hon Mr Pouliot: Not from me; from you, it's okay.

Mr Devooght: What we're interested in is behaviour modification, and whether the van happens to be sitting

there at that particular point in time or not, that's not really the real issue. The real issue is whether the introduction of photo-radar on those highways has had an effect on behaviour and the result is that people have slowed down and been more careful and collisions and fatalities have been reduced as a result of that. Okay? So what we're concerned about is, which highways have been signed and what is the road safety experience within those routes during the period of time that they have been signed? That's what we're tracking.

Mr Daigeler: Thank you very much.

The next item, and I don't really want an answer right now—I'd hope it would be provided in writing—relates to alcohol-related collisions. The minister in his opening statement said that since 1982 there's been a reduction by 47%. I already asked that perhaps we could have some figures over the last five years to see whether that trend has continued. I just hope it has. So whatever information you have there, if you want to provide that in writing, I'd appreciate that.

An important concern that I do have—and as you know, Minister, both Mr Turnbull and myself and both parties were very supportive of your graduated licensing project last year, and I should say again that I thought the initiative of holding those public hearings before the legislation was actually introduced was a good one, and I would hope some of the other ministers would follow the same example.

I was just involved with Mr Ramsay in a tour of northern Ontario on the forest management bill and frankly, I don't like that there is only one week between the public hearings and the clause-by-clause. It doesn't make sense. So in that regard, Minister, I do think you did the right thing to go out to the public, hear from them and then bring in legislation afterwards that perhaps reflected some of the things that were said by the public.

Nevertheless, can you tell me: How is the graduated licensing system working? Is it working as it was intended to be? I've heard very little at all in terms of the results so far. What are the snags? What are the problems? So if you can give me an update, I'd really appreciate it.

Hon Mr Pouliot: I very much appreciate, briefly, your comments. You're right, it was a collective effort and everyone thought it was commonsensical and certainly no one administration can take credit for graduated; that was an evolution and if it hadn't been for your help, maybe we'd still be waiting, so that's well taken.

The number of alcohol-related accidents over the past 10 years is 47% less than 10 years ago. That has been achieved gradually.

I've earned a reputation over the few short years to answer questions directly, for being to the point.

Mr Elston: It's been unfairly given.

Hon Mr Pouliot: And I only wish that the last question, as to an update on the graduated driver's licence—but since I don't have all the latest details, and yet I want to be consistent with my reputation, if I may say so, in terms of being direct and to the point, I will ask Kim to give us some details to the question of Mr Daigeler.

Mr Devooght: The short answer is, fine; everything's going fine. In terms of timing, we did implement graduated on schedule in April and June. The only significant snag I would say we had, had to do with the numbers of individuals who thought they didn't really want to be part of graduated licensing and therefore visited our offices in droves prior to that period. So we had, as I'm sure everybody knows, quite a runup to the implementation dates.

We have since corrected those issues and those problems. Our waiting times for road tests are 35.8% lower than they were a year ago. The inventories are that much lower and the waiting times are down 45%, so we have restored the service levels and in fact, they're probably better than they've been in the last five years. So from a service point of view, we're well-positioned, and systems are working and the automated systems are in place and are running properly.

From a public awareness point of view, the ministry conducted some 525—I think that's the number—public information sessions, primarily at the high schools, and spoke to over 150,000 people.

1550

Mr Daigeler: How about the exit test?

Mr Devooght: How about the exit test? The level 2 exit test has been designed and it's been field-tested now. All of the Ministry of Transportation driver examiners who will be doing the train-the-trainer on the level 2 exit test have been trained. We have done over 900 field tests. It's a question of validating the test and we've completed that process now, where half the population is experienced and half the population is inexperienced, so you determine the right Pascal criteria; and that work has been completed now.

I know you were involved in the hearing process so you'll have a sense of when the test in its full production mode will be required, and that is about 20 months from date of implementation, which was April 1994. The only people who need the level 2 exit test between now and November 1995 are new Canadians or people entering the province from a reciprocating jurisdiction. We do have an interim level 2 test that we put in place quickly in order to deal with those individuals.

So we have an interim test that's working, we have the advanced test that has been validated, and we're in the process now over the course of the next few months of bringing on board the additional staff and hiring them. We did not want to end up with people before we needed them. The wave of resource will come when the wave hits for level 2, which will be in late fall of 1995.

Mr Daigeler: I think Mr Elston has a question.

Mr Elston: I have a question on the application of graduated licences, particularly people who have suffered from cataract or other problems. I understand if they've had their licence taken away, they've had the operation and their vision is now correct and even if it's been for a very short time that they've been without their licence, they now are required to take on a graduated licence to get back into the system. Was that always anticipated? If that is not the case, then I have some people I guess I'd better tell that they've been treated unfairly.

Mr Devooght: There are no specific rules around individuals with medical conditions. The only criteria around which level you enter the licensing system at depends upon how long you've been active or inactive as a driver. If you have been inactive for five years then you do not have a driving history and then you end up back in as—

Mr Elston: The people I know have not been out for five years and they are now considered as graduated licence holders. What does that person do or the people I know do, who because of medical problems have been issued a graduated licence? Do I tell them to go down to their local MTO office and say: "I was without my licence for seven months and you gave me a graduated licence. Give me a full licence"? Surely they're not going to have to go through a whole appeal system.

Mr Devooght: I'm at a loss to explain the specifics of those, other than that from what you describe to me, that doesn't seem like the right answer from our folks. So all I can say is—

Mr Elston: So those people should contact—who?

Mr Devooght: They should contact the ministry management in their local area and explain their situation.

Mr Elston: With a copy of this Hansard?

Mr Devooght: Well, yes. There's no—

Mr Elston: Somebody obviously believes that people who have been out for a period of time, in this case less than a year, are required to take graduated licences.

Mr Devooght: If you've been out for less than a year, you're not treated as a new driver.

Mr Elston: But if it's five years, certainly you've made a decision that you should be treated as a new driver.

Mr Devooght: That's right. And that rule is the same rule that's been in place for a long, long time. We didn't change that rule at all.

Mr Elston: But is there a discretion between five and one? Or why would these people say this person should—a particular person whom I know, anyway—have a graduated licence?

Mr Devooght: It doesn't sound correct to me. It sounds like somebody has misinterpreted something. So if there is a specific case, if you can provide the ministry with that information, we would endeavour to fix that. The easiest thing to do is just give it to us and we'll look into it.

Mr Elston: So there's no standard policy? That's the reason I asked.

Mr Devooght: There is a standard policy, but it does not have to do with medical conditions; it has to do with time out of the system.

Mr Elston: That takes me to a second question, which is—I'm not sure whether it's your area or not—still the issue of medical conditions in driving when a person has gone to three different specialists, gotten a clean bill of health, and your medical person, who has never seen the individual before in his life, is still saying, "No, you can't drive." I've got one particular constituent now who, while he has appealed, can't even get back into

the system for another six to eight weeks because the appeal system is backed up.

My concern is, how many people who have seen an individual have to attest to the fact that this person can drive safely to overcome one of your people who has never seen him and who has done nothing but look at X and Y on a piece of paper someplace and say, "No, I'm not going to give you permission"?

We put a pile of these people through the appeal system every year, and it seems to me somebody is not treating individuals in the field very fairly, because we have no way of dealing with these more administrative people. It's got to be solved. That's problem's got to be solved.

The Vice-Chair: A brief response, please, Minister.

Hon Mr Pouliot: Yes, thank you. The privilege afforded to individuals and the right of the collective: It's very difficult, Mr Elston, at the risk of boxing ourselves in, to address individual cases. You know that. When you were a minister of the crown in several portfolios—and you've done a marvellous job—you were always on top of each and every dossier, and that's something you'll always have to reconcile yourself. I recall some of the questions in the House were constantly searching, but you don't want anyone to be done in.

Mr Elston: I understand that.

Hon Mr Pouliot: There's no question that's the case, whether it's with respect to one of your constituents or not. If you have the case of a fictitious Harry Smith or Ms Jones, a valid driver's licence, and then you have a temporary aberration, be it by way of cataracts or not, if people will attest acquiescence that the situation has been corrected, my humble common sense would tell me, why can't the person just go to the nearest office, pick up her ticket, and life goes on as usual?

Mr Elston: But it doesn't happen.

The Vice-Chair: Thank you, Minister. The time for the Liberal caucus, for this round, has concluded. I'm now turning to the Conservative caucus.

Mr Turnbull: Minister, back to the subject that gives you apparently the most discomfort: 407. Casting your mind back to April 18 of this year, I asked you a question in the House relating to this infamous fund-raising event, where you will recall—I'll read it back into the record just so I can refresh your memory—there was this letter sent by the Labourers' International Union of North America urging people to attend this. They said:

"It's important that you personally apply yourself to making the evening a success by calling those contractors and influencing them as to the importance"—and "importance" is in larger capital letters than the rest of the text—"of the said evening in the purchasing of a table, a half-table etc—as much as you can squeeze. Don't take no for an answer.

"I am sure I don't have to tell you that the prestige and the name of 183 is important and must be maintained for all future lobby efforts that benefits."

I asked in that question, and you certainly feigned that you were somewhat offended by it, if the \$100,000 it raised for the party was now the going rate for govern-

ment contracts. To quote what you said at the beginning of the answers, "I can assure the critic opposite that there is absolutely no link between a fund-raiser and the awarding of the contract."

It's interesting, the next day I asked you another question on the 407 and it was related to, are we getting value for money? I didn't ask anything about that fund-raiser. You started out by launching into saying: "emphatically—not that it matters at all, but just a mise au point—that I was not at the fund-raising dinner. I don't think it matters, but you had assumed, with respect, that I was there, but I wasn't."

I presume you still stick with that statement. This is your opportunity to suggest as to whether that was wrong, what you said at the time.

1600

Hon Mr Pouliot: If I may be so bold, heck, what is it you are talking about? You said, and I'm quoting verbatim, that one of the subjects that makes me—who cares—the most uncomfortable is that of the 407. Tales of Houdini. At times you talk about the 407, at other times you talk about fund-raising, and then you wish to establish an astrological connection, a sort of palm-reading behaviour. I know you're not a merchant of fear.

There were members of both consortia, I understand, at the dinner. My agenda has it that I was someplace else, but more importantly, fund-raising events are held by political parties at every level, by individual candidates of all stripes. You will say we're not quite used to it in our case. Of course, we have our limitations, but it's a matter of philosophy. I mean, you have a philosophy; you can relate to it. We happen to differ, but it's always with respect. I would imagine that all parties have a well-defined philosophy.

But fund-raising has no bearing—you invite people. You soft-sell, I would imagine. That's the way I would do it. And people from all walks of life will come and attend the fund-raising, but oh my, the process is such here that it has absolutely no connection. Imagine if it were. We'd disassociate ourselves. It's a matter of ethics. I have some difficulties, and I know the exercise, and I value what you're saying, be it only a reminder that hypothetically a system like this may never exist. We don't even have a cup of coffee with people associated with the largest highway project in North America at present. You know, I will be among those who will die poor.

Mr Turnbull: Minister, would you like me to connect the dots a little bit for you?

Hon Mr Pouliot: The kind of connection, I'd like you to be more precise so we can help you. This is offending.

Mr Turnbull: Okay, let me connect the dots. The letter that I read from, which was signed by Michael Reilly, the business manager of Labourers' International Union, was dated the day that they concluded the no-strike, no-lockout agreement with the winning consortium. You're quite correct that there were members from both consortia at this dinner. You're absolutely correct.

My question to you was—I suggested that you were at the dinner and you were most offended about that and

came back the next day in an unrelated question—well, related but certainly not on that issue—and said, "I now have a copy of the dinner menu and the list of hosts." And to my surprise, after that answer you gave me, it lists under hosts—not guests, hosts—the Honourable Gilles Pouliot, MPP. What an amazing coincidence that it would be here when you didn't attend the dinner and you had nothing to do with it and you were offended.

So let me further connect the dots. The labourers' union, when they made the no-strike, no-lockout agreement, sent out this fund-raising letter that day, and lo and behold, the day before the fund-raising dinner, after they had put all of this pressure—I mean, let's get the exact wording again: "As much as you can squeeze. Don't take no for an answer."—after they'd sent this, the other consortium didn't sign this agreement. They trotted down and tried to get them to sign it.

And lo and behold, the day before the dinner, according to the press—and I've asked for the date and you can't confirm it and this should be a pretty simple date given that it has been in the media within the last week or so, and yet you still can't recall the date, which is somewhat surprising to me. In the interim you could have easily found this out. The day before, lo and behold, at the 11th hour and the 55th minute, the deputies were given the job of deciding on the contract, according to the media. We know that it was very late in the process but according to the media, it was actually the day before the dinner that you gave the deputies this decision, and you're on the guest list.

I wonder if you want to reword your answer from Hansard, from earlier, or whether you want to suggest that there was some deliberate attempt to perhaps give us the wrong impression.

Hon Mr Pouliot: Thank you kindly, Mr Turnbull. My name might be on the list but certainly I wasn't on the menu. The cabinet decision to appoint the DMs was on, my notes that just reached me here tell me, January 19, 1994. When was the dinner held? Does it say on the menu?

Mr Turnbull: It was 10 days after the letter was sent and that was January 10. Surprise, surprise, it was indeed the day before the dinner. How convenient. You know, when you've got a process that is no longer open, as it has been in the past, through successive political regimes since the early 1950s, that you've closed this down and then you do this, Minister, it leaves a distinct odour and it ain't good.

Hon Mr Pouliot: You're trying to make this the Last Supper.

Mr Turnbull: No, don't worry. You'll have the Last Supper early next year.

Hon Mr Pouliot: No, seriously, I won't encourage you any more than this, and with respect, you are imputing motives. You're searching for something among honourable members here. You won't go as far—you have immunity here and you know darned well you're not going to put your seat on the line. No one is challenging you, but if you up the ante, I want you to keep in mind that unless you have provee positive, we all have an

obligation at least towards one another as colleagues, and I'm not being defensive.

Mr Turnbull: There's nothing I have said so far which is in any way slanderous, Minister.

Hon Mr Pouliot: You know we can try; we can swing that thing but—

The Chair: One at a time, Mr Turnbull.

Hon Mr Pouliot: Let's be careful here in terms of character or let's have the courage to go outside and say those things when people would have recourse. When you by innuendo, by nuance, by ambiguities impute motives as to the style of operation, a person should not be allowed, in a public forum, to do so or to get away without substance, because what you do hurts, it impacts people, it cuts deep and it's not entirely fair.

Mr Turnbull: Let me tell you, Minister, that the people of Ontario are disgusted at how they were lied to in the last election with that infamous document Agenda for People and with the ministerial guidelines that this Premier brought forward which he promptly forgot about. So if you want to talk about honour, I'll talk about honour. It's a long, hard story. Let's get on to other ministry business.

What action specifically have you taken to monitor the comparative accident and fatality rates during the photo-radar evaluation in the specific sections of road where this is being undertaken?

Hon Mr Pouliot: Kim?

The Chair: Welcome back, Mr Devooght.

Mr Devooght: I think, as I had indicated in a previous answer, we have—

Mr Daigeler: He wasn't here, so you have to repeat it.

Mr Devooght: I'm sorry. You're right. The first thing we had done as part of the highways that were selected for the photo-radar pilot, there were sensors installed in the pavement sections in order to be able to give us some indication of speeds, first of all, average speeds. There were data collected and there have been, actually, loops in pavement in various parts of the province over a number of years. We added additional ones so we will have data from before the photo-radar signs went up, when the signs were installed and after the date of implementation as well. We'll have operational data ongoing.

As we know, our view is that speed is a contributing factor to collisions. We have many road safety studies that indicate that speed is a contributing factor in approximately 60% of collisions. Our view is that driver behaviour is the cause of 85% of road collisions. So we will have that level of information.

In addition, we do know the position and relative position of every collision that's occurred, every significant reportable accident; we have the location of that. We have a collision database that tracks all of that information. So while speed is important from a research point of view, in the end what really matters and what we will measure is injury collisions and fatalities. We do have that information by roadway and we'll have it over time.

1610

Mr Turnbull: As you'll be aware, the data out of Calgary suggest that fatalities and accidents actually went up after they installed photo-radar. Can you comment on that?

Mr Devooght: No, I can't comment on that. Actually, that's a bit of a surprise, but I can't comment on how it may have been implemented in any other area. I can also tell you that in Australia, in combination with a number of other initiatives, collision and fatality rates were significantly reduced. So it depends on what other factors are occurring at any one time in any one specific location. I think our view is that it will make a significant difference. Time will tell about the level of that difference.

We will have our first set of operational data from the Ontario Provincial Police later this week. The 15th, I believe, is when they're going to first report to us. I can only tell you anecdotally what we have been hearing so far and that's that the system is working. The police officers who are on the street, whether they are operating the vans or whether they are in regular traffic patrol, are saying that traffic seems to be more orderly, I think is the phrase that they're using, and seems to be more closely complying with the speed limits.

Now, it's the early days and we'll have to wait and see how this will affect the numbers over time, but we sincerely believe it will have a significant impact on collisions, injuries and fatalities.

Mr Turnbull: Regarding the exit test from the graduated licensing field, I am aware that the Road Safety Educators' Association and the Driving School Association of Ontario, that got together to work with the government, have been somewhat frustrated at the lack of consultation by the government on the exit test. Can you update this?

Specifically, they were frustrated with how long it was taking to get appointments with ministry officials. There's a turf war going on. I'm not for one minute suggesting that anybody should choose winners and losers. That's for them to sort out. The concern that has been expressed to me is that there has been more ready access to ministry officials—perhaps to you, Minister, I don't know—but certainly to ministry officials for this new competing group which is much smaller than the larger group. What is the story on this?

Mr Devooght: In fact, there are two issues here. First of all, the discussions that you're referring to between the Driving School Association of Ontario and the Road Safety Educators' Association and the newly formed Ontario college of driving schools, I believe is their name, have to do with the driver education standards, and what the course curriculum would look like for driver education in the future. That is a completely separate issue from the level 2 exit test.

In fact, the Driving School Association of Ontario, the Road Safety Educators' Association, the Ontario Safety League, the Young Drivers of Canada and a number of others—I don't have the list in front of me—were all heavily involved and were on the advisory committee for

the development of the level 2 test.

Those meetings were scheduled on a regular basis. Engel and Townsend were the consulting firm on that. They in fact are a Toronto-based firm, the same firm that first developed the commercial drivers' test in the United States. That has been a successful process and the test has been field-tested, pass/fail levels have been validated and now we're into training and implementation for that test. They were involved in that.

The debate that you discussed, the issue that I think you raised is another one, which is, now that we have changed to the—and I know this came up during your hearings.

Mr Turnbull: It's related to—

Mr Devooght: It is related to it, but it is a separate issue and I know it came up during your hearings around the province, and that is, what is the role of driver education and how in fact should we be dealing with that? So it was a completely separate issue and there are discussions under way between those two groups. As you know, we do not regulate driving schools. We regulate driving instructors. We do have criteria as part of graduated licensing that if you apply the following course curriculum—and it's the same roadworthy curriculum at this point in time—if you follow that curriculum and are from an approved school, then in fact you will be able to get a four-month credit on graduated licensing. That was the model that was proposed as part of the hearings and that's what we've implemented.

The discussion between those two groups is, what constitutes an approved school? I know we have an interest in, over the long haul, having a look at driver education and seeing whether the industry is positioned to step up to the standards that we've created for graduated licensing. We started those discussions with that group. The new group, we believe, has formed as a result of some differences of opinion within the Driving School Association of Ontario. I can't comment any further than that because there is a court proceeding under way right now between the two groups and we have to stay out of it.

Mr Turnbull: I will say that I've met with both groups and I've encouraged both of them to talk to one another. This was prior to the court case and obviously it wasn't successful.

Mr Devooght: I can tell you, Mr Turnbull, that I have met with both groups as well. In fact, I did that as recently as a week ago Friday and I know that the deputy minister has talked with them as well. We have offered to mediate those disputes, we have offered to sit down with them and they've chosen to take their case in front of the court system. So, until they resolve their internal differences, we stand ready, willing and able to assist, but if they choose that forum to fight, then there's not much we can do.

Mr Turnbull: How much time do I have, Mr Chair?

The Chair: Four minutes.

Mr Turnbull: I want to address myself to a question I raised in the previous session that we had. Specifically, why did the GO Transit sale and sale-back deal close in

Bermuda? What did it cost the taxpayer to ship all of the officials down there? And am I correct in thinking it was so that the participants in the funding could avoid taxes in their home countries?

Hon Mr Pouliot: For the minister, no dinner and no Bermuda. I'd like to have Mr Hobbs answer the question, please.

Mr David Hobbs: I'm going to have David Aronoff, who's the director of finance of the Ministry of Transportation but who was the principal involved out of the Ministry of Finance at the time, describe the nature of the deal and then I'll pick up the other—

Mr Turnbull: Okay, specifically, first question, then, to reiterate it: Was it so that the participants in the funding could in fact avoid tax implications in their home countries?

Mr David Aronoff: From our perspective, we were offered a deal from a company that was based in Bermuda, so all we were ever looking for out of the deal was a transaction that offered us cheaper financing, period, versus conventional Ontario debt.

Mr Turnbull: Would it be your assumption, then, that those companies would avoid taxes as a result of concluding the deal in Bermuda?

Mr Aronoff: I was with the Ministry of Finance at the time. What the Minister of Finance came out with was very specific information in our tender that said: "We are looking for the cheapest deal possible. We will factor in all factors." In other words, if it was a Canadian deal and there was some sort of loss to the provincial treasury in taxes, we would include that, but we didn't include or exclude anyone from coming into the transaction specifically; so if there was a specific institution that came up with a transaction that was more cost-effective, that was up to them as to how they were going to do that. What we wanted to make sure was that the Canadian and provincial tax jurisdictions were protected from any loss to their treasuries.

Mr Turnbull: Had those companies been Canadian or Ontario-based, would there have been any tax implications that were not the case that you had to consider in this deal?

1620

Mr Aronoff: If they were Canadian and actually paid tax in Canada and were taxable, they would have had a potential Canadian tax loss if they were avoiding Canadian taxes. Again, our concern was any company that was part of the deal, if it was offering us savings at the expense of federal treasuries or Ontario treasury, then it really didn't pay, because the taxpayers of Canada and Ontario were being penalized and the savings weren't really there; they were just coming from another pocket. So anyone who had a transaction that had an erosion component to it from Canadian or provincial tax jurisdictions would have had that factored in. Their savings would have been reduced and they would not have won the deal.

Mr Turnbull: It's my understanding that one of the members of the consortium in fact was one of the major chartered banks of Canada, so I want to know speci-

cally, was that factored in, in this case?

Mr Aronoff: I can get into the transaction details, but there are equity participants and debt participants to the deal. There were debt participants who were—it's a leveraged financing, and there are participants who are just lending money into the deal, to the transaction, and there are no tax components to it; they're simply just lending money to the deal to leverage the people who are investing.

Mr Turnbull: Are there any Canadian equity—

Mr Aronoff: They were Canadian but there are no tax consequences of lending into the transaction. Only the equity participants could potentially have any of the tax consequences you're discussing, none of which were Canadian.

Mr Turnbull: Are the periodic payments subject to the 15% withholding tax?

Mr Aronoff: No, they're not.

Mr Turnbull: Could you explain why?

Mr Aronoff: The transaction is a refinancing. Canadian withholding tax applies solely to a lease transaction. This in fact, as it's been quoted in the press, is incorrect. It is not a sale and lease-back; it is a sale and conditional sale-back. That is the official term for it. It's very common in the private sector. It's pretty much how most commercial aircraft are financed worldwide, including Canadian and Air Canada. That's the way those transactions are done. It is a refinancing just as if you're refinancing your home. It might be done offshore in many cases, but the point being that federal law allows for no withholding tax on refinancing. As our debt does not attract withholding tax, this transaction does not attract withholding tax.

Mr Turnbull: I can't help myself from smiling a little bit because I'm always reminded of when the NDP would go on a rant and talk about the corporate welfare bums, and that term just jumps to mind.

The Chair: That would be your last question coming up, and then I have Mr Wiseman on my list.

Mr Turnbull: The transaction, how much did it cost to send our people down to Bermuda?

Mr Hobbs: I don't have the figures with me, but there were three people from GO Transit: myself, the managing director and the director of finance. There was one individual from the Ministry of Finance. Everyone else there represented banks or legal firms primarily from American, European and Japanese interests. We can get the costs of what the air fare was and the expenses for the individuals who travelled to Bermuda if you—

Mr Turnbull: Okay. That would be useful.

Mr Wiseman: I'd like to ask a couple of questions about the interface program and the amalgamation or integration of the transportation system of Durham with the surrounding transportation systems. I read somewhere a couple of weeks ago that there's a one-stop fare for Metro and Mississauga and I'd just like to know whether that was offered to Durham. If it wasn't, why wasn't it? If it was, why didn't it happen? And if it didn't happen, is it going to happen?

Hon Mr Pouliot: Sir, George Dadamo was the mover, the catalyst in putting that system through, but there were other people in terms of addressing what in some cases went as far—or, by definition, being a fiefdom of 17 different transportation jurisdictions in and around Metro, and the operative here is to have a seamless system, we've moved, actually, by leaps and bounds. But what do we integrate now, David, five or six, and what are they under the \$30 completely transferrable pass?

Mr Guscott: The Transit Integration Task Force involved the mayors of the surrounding municipalities around Toronto and did in fact include Pickering from Durham region. The transit integration initiative involved much more than just the GTA pass which was announced last week. It also involved coordination of service. It's going to lead in the very near future to a 1-800 number which you can call and determine connections and how to make your trip no matter whether it's on any of the different transit systems, and it will include GO Transit information as well.

Over and above that, the various transit properties under the umbrella of transit integration have cooperated to produce a transit map, which now appears in the new phone books and allows you to see at the same scale how the different transit systems fit and work. As you can appreciate, if you have pulled together transit maps from different jurisdictions, that can be a tremendous difficulty.

Over and above that, in the long-term we're looking for ways to fund capital as it crosses municipal boundaries and apportioning the costs for that.

With respect to your particular question about municipalities from Durham, Pickering currently has no connections with Metro. There are no buses that go from Metropolitan Toronto into Pickering, and consequently Pickering wasn't involved in the GTA transit pass. As to the question about whether they will be in the future, yes, as soon as there is a market demand and a desire on the part of Pickering Transit and Metro, there will be a municipal transit connection. The transit that now exists between Durham and Metropolitan Toronto is GO Transit.

Mr Wiseman: If I understand this correctly then, what we were talking about here is the bus system between Pickering and, say, Scarborough, and that because there are no buses going across this boundary, then it couldn't be done?

Mr Guscott: Exactly. There would have been no users.

Mr Wiseman: So the only means would have been through the GO train.

Mr Guscott: And there already are special fare arrangements between GO Transit and TTC.

Mr Wiseman: So what's the current status then of the negotiations to have buses transfer between Pickering and Scarborough? They could do it on Twyn Rivers Drive and Sheppard, they could do it on Highway 2, yet they don't. Is there something we can do about that, or is that something that is totally up to Pickering Transit to do?

Mr Guscott: It's totally up to the transit properties, which respond to their customers' needs. So I think it's

a matter of users who would benefit, and there may well now be users who would benefit from such a system. Before the GTA pass, it wouldn't have been cost-effective for them to do that. They may now be interested, and it's a matter of them contacting their transit authority and advising them of the fact they'd like to see that similar service. It's not hard to extend it. It was worked out very amicably and, I might say, relatively easily, considering we tried this three times in the last 15 years. This is the first time it's come to fruition.

The Chair: I think there's been an agreement that I'll move directly to the official opposition at this time for about 14 minutes. Mr Daigeler.

Mr Daigeler: Mr Elston has a quick question.

The Chair: Oh, Mr Elston.

Mr Elston: Yes, just a couple of quick questions. I wonder firstly if I could actually get a response to the last question I'd asked before we were cut off, which was the issue of the medical review and what does an average citizen have to do when they go to see several specialists who say, "It's okay for you to drive now. Your condition is controlled," and the medical review office refuses them and it then takes six to eight weeks to get into an appeal mechanism. I've got a number of those people, and there's no way that we can get into the system to have anything done for those individuals who are told they're okay.

1630

Hon Mr Pouliot: I remind myself that danger is dangerous. I'll ask Kim to contribute his expertise.

Mr Elston: You've got all the easy parts in this ministry.

Mr Devooght: First of all, as you know, when we're making those judgements, we make them based on advice provided by the medical advisory committee, which is a committee of specialist physicians. They're the ones who review the complex cases.

Mr Elston: Generally one of those people looks at a file. Generally just one.

Mr Devooght: Sometimes yes and sometimes no. It also depends on the complexity of the case. If in fact there is more than one medical condition or there's a recurring history, the physicians will meet together. Generally speaking, we do have a cardiologist, a neurologist and other specialists who participate on that committee.

Also, I think it's important to remember that when the physicians are making their recommendations to the registrar, they make them based on the guidelines that are prepared by other physicians, the CMA guidelines on the right to drive. As I say, the Canadian Medical Association has constructed guidelines. We operate in accordance with those guidelines, and those guidelines are prepared by physicians who in fact are specialists in the relationship between medical conditions and the driving task. It's quite conceivable that you may have a specialist who is quite expert in a certain medical area but may not be spending a lot of time in the relationship between that medical condition and the driving task. The specific medical conditions that are most common have a set of

standards around them that have been subject to a long debate and discussion within the medical community.

Overall, the numbers of cases that result in the kind of debate you are suggesting are percentagewise quite small. I don't have the numbers in front of me, but certainly the numbers of cases that end up before the Licence Suspension Appeal Board, which is the ultimate body where an individual can make a claim, is—I don't know the numbers, but it's definitely like a few hundred a year at the most.

Mr Elston: So why is there such a long waiting time then?

Mr Devooght: Well, because the board itself is a part-time body. It's not just the case of the hearing officers themselves or the board members, but also the individuals and when in fact they can attend a hearing. There are lots of reasons why. We recognize that medical conditions are not anybody's fault. We're going to try as best we can to push these cases through as quickly as we can.

All I can say again is that if there are specifics of any one individual, they can be raised to our attention. We, I think, move to solve those things as quickly as possible. But certainly within the medical community the standards that are used have been based on a long debate and discussion within that community and are well supported by the Canadian Medical Association.

Mr Elston: Are those files by your medical review person, the practitioner, fully available without amendment or editing to the person who has been refused a licence on the basis of that judgement? They should be.

Mr Devooght: Generally speaking, yes. The only things that would not be released to them would be things subject to the Freedom of Information and Protection of Privacy Act.

Mr Elston: What could be subject to that if you're the person?

Mr Devooght: Well, third-party information that has been supplied where names have been deleted, for example.

Mr Elston: Yes, but it's my file. I mean, if I'm the person who needs the judgement, what could be in that file that wouldn't relate to me, because you've just said that I can't drive?

Mr Devooght: Generally speaking, it's where we go back to physicians and request—I can only give you a for instance. If somebody is subject to a medical condition and the physician has suggested to us that certain information not be released to this individual because it may in fact be harmful to them, then we have to go back to the physician and say, "Do you agree in releasing this information or not?" So there are cases like that, for example.

Mr Elston: So in fact a person may never find out why in effect they have been refused their licence.

Mr Devooght: No, they'll find out why. What they may not find out is a particular name of an individual, a physician, for example.

The Chair: Thank you, Mr Devooght. I did have

some additional questions. Mr Elston, were there many more?

Mr Elston: No. I just have one more—not on this one. I'll give up on that.

I just want to know on the volunteer cleanup on the highways what the official reaction has been to the volunteers taking over the work of the union employees and if there has been any official agreement between the Ontario government, specifically MTO, and Fred Upshaw and his union personnel or any other union personnel who have been the persons who actually cleaned up before and in fact took care either of cutting the grass or picking up litter.

Hon Mr Pouliot: I sense Mr Elston is not a member of the adopt-a-highway brigade or a volunteer.

The Chair: And where's your particular stretch of highway, Minister?

Hon Mr Pouliot: We've got about 26% of the land mass in the overall province in our vast and magnificent special part of Ontario.

The Chair: That's one hell of an introduction, isn't it? In the interest of time, id we could maybe get an answer to that question.

Hon Mr Pouliot: Carl, will you please try to answer Mr Elston's question, for he wishes to join, and it's a normal reaction that before you do so you would get—

The Chair: Minister, we had an agreement about time here, and I'm trying to respect that. If we could—

Interjection.

The Chair: No, you're trying to give a bigger introduction than is necessary. Could I please get an answer, because Mr Daigeler has requested the floor back.

Mr Vervoort: There's no formal agreement with OPSEU members in respect to the adopt-a-highway program. There has been a general expression of concern about the impacts on employment by OPSEU and individual representatives of OPSEU at the ministry's employee relations committee. That concern, however, has not translated into any formal objection of the ministry conducting the adopt-a-highway program. There has been an expression of concern in terms of contracting out of other services, such as snowplow operations and a variety of winter maintenance operations, but no specific and formal concern or opposition registered with respect to the adopt-a-highway program.

Mr Daigeler: Mr Chairman, I presume we're going to follow the pattern of previous estimates committee meetings and that we can still put written questions on the record that the ministry will be answering in due course?

The Chair: Yes.

Mr Daigeler: Thank you. As I had indicated again some time ago, I was going to look at this famous green book that we're all about. I would like to address this to the deputy minister, who I'm sure will be able to provide those answers.

On page 10, you have a 95% increase in policy and planning. Why is that? You have a 31% reduction in

program delivery, presumably because of the transportation capital corporation, if you could explain that.

Also, as a general comment, perhaps for next year, it would be useful, I find, if there are significant variations, let's say more than 30% over last year's, if there could be some explanation given automatically. I think this would really help the readers.

On page 12, there's a reduction of 41% in total Jobs Ontario Capital. This seems to be at variance with what you said was a 35% increase in the money you're spending. If you can just give me some explanations of all this. Also, on the same page, it seems that in the actuals, at least in the interim actuals, you spent almost \$400 million less than you actually were going to spend according to your 1993-94 estimates. Were you allocated \$400 million that you didn't spend, or what happened here? That would be a question.

Page 16, basically all of these here I would like some answers on. You do have a reduction—I was surprised to see that—in your estimates under vehicle fees, licences and permits, quite a significant one over last year's. Sales and rentals, you had estimates in 1993-94 of \$36 million. The actual was \$13 million and your estimate now is \$19 million. Could you explain this, and what's behind sales and rentals? Vehicle system improvement project, \$10 million. What is this? Basically, all of the right of way service access, \$19 million compared to \$5 million before, if you could explain all of that to me.

Page 17, in the main office, ministry administration, an increase of 22%. Why is that? Also, on page 20, again a 72% increase in ministry administration program, from \$14 million to \$34 million. What's behind this, in the short time that's available, if the deputy minister could at least start the process of giving some answers to that.

1640

Hon Mr Pouliot: Before I ask Mary Proc to present explanation, you're right. I remember when I was sitting there, and I have to work hard at these things, if there's something which is a significant discrepancy—there's not an anomaly but either a significant increase or decrease—surely, only by way of courtesy, but for expediency also, you memo it. You know, it becomes extraordinary, if you wish, and if it's in the order of 20%, 30%, your point is well taken, and I'll ask our officials. This will be done, because it saves time and you get straight to the point. That point is well taken.

On the one-liners, vis-à-vis what happened here, can we proceed with this, Mary?

Ms Mary Proc: Yes. Mr Daigeler, I'll address a few of your questions. First of all, you point to a 31% decrease in program delivery, and you're correct. That does represent capital expenditure decreases, actually capital expenditure transfers over to the Ontario Transportation Capital Corp, so you're correct there.

With respect to policy and planning, that represents a \$20.8 million flow-through from the Ontario Financing Authority through to the OTCC, \$20.8 million that needed to be flowed through the ministry, so it was just parked there in the policy and planning division before going on to the OTCC. Without it, the policy and

planning division actually downsized and is living with an allocation that is 16% less than last year.

Mr Daigeler: I'm not quite sure whether I understand that explanation, but certainly that's the type of thing that would be useful to have in there and perhaps in writing, because obviously it distracts you right away. Why was this necessary this year and wasn't done before? What's the reason behind this? Why all of a sudden now and it wasn't done before? It certainly looks rather strange to see a 95% increase over last year. So if you can try in writing.

How about the 41% expenditure reduction? Is that moved over to the transportation capital corporation?

Mr Davies: In the capital costs?

Mr Daigeler: Yes, capital summary, Jobs Ontario, page 12.

Mr Davies: That difference relates to the amount of money that is legitimately off book as a result of 407. I don't have the specific breakdown here. I will endeavour to give you the specific breakdown of how much of that money appears on the accounts of the transportation capital corporation and what amount is off book and off budget.

Mr Daigeler: Okay, and then a quick one, since the Chairman is signalling to me that my time is almost up. Page 16: Can you briefly go to some of these things that I mentioned, very significant variations?

Mr Davies: Okay. Kim Devooght has the specific breakdown on what is happening with our fee revenues. Partly that is related to the cycle of renewal and moving from a one-year to a two-year vehicle renewal fee and in moving to a five-year renewal cycle for drivers' licences. Kim?

Mr Devooght: Precisely, George. The big change between the 1993-94 and 1994-95 estimates around vehicle fees and licences looks like about \$50 million. That is the change from the three to five-year driver's licence renewal cycle, and it's up one year and down the next. In the interests of time, we can show you how those projections work out over time, but this was fully anticipated a couple of years ago in terms of revenue spiking.

Mr Daigeler: What's "sales and rentals"? What's this and the variations here?

Mr Devooght: That's not mine.

Mr Davies: A major portion of that is related to the collection of funds for the service centres, but I cannot account for the difference and I'll have to take that in—Dave, are you prepared to explain that?

Mr Daigeler: Frankly, Deputy, I'm a bit disappointed at that because I did put all these questions specifically on the record on June 22. I have the Hansard in front of me and I pointed out the pages, I gave them as a courtesy to you, the pages where I was expecting some detailed answers, and I would have hoped that these answers would have been available today.

Mr Davies: We will provide that now.

The Chair: You're going to provide it now or are you going to—

Mr Davies: Or do you want it in writing?

Mr Daigeler: My time is out, so—

The Chair: The time is out, and I think the understanding was that it would have been helpful if we could have received some of this material in writing. Now it's clear that it's going to be required in writing.

Mr Turnbull has 14 minutes.

Mr Turnbull: I'd like to ask some questions about the relocation of the ministry offices to St Catharines. Perhaps we could get the ADM up here who's involved. Could you tell me how many jobs are due to move to St Catharines?

Ms Margaret Kelch: My name is Margaret Kelch, assistant deputy minister for relocation. One thousand positions of the Ministry of Transportation's head office are moving to St Catharines.

Mr Turnbull: What percentage of the total ministry is that?

Ms Kelch: I guess the ministry numbers—Mary Proc may correct me if I'm wrong—are around 8,800 or 8,900 now as we speak. Is that correct?

Ms Proc: Actually, much lower; around 7,900.

Ms Kelch: Seventy-nine hundred. So it's 1,000 of about 8,000.

Mr Turnbull: Okay. Of those jobs that you're moving, how many employees do you expect will actually move with the job?

Ms Kelch: You may be aware, Mr Turnbull, that we are moving in two phases. In the first phase we did give our individuals notice this past summer and that was the first 325 positions. Of those, we're aware that 71% of those individuals have said that they are going to join their positions in St Catharines. The second phase is in fact a similar kind of process. We will be giving notice to employees in the spring of next year and we're not yet clearly aware of what the numbers will be there.

Mr Turnbull: I presume that you have some expertise relating to other ministry moves and in terms of costs. One of the hidden costs of a move of a ministry outside of Metro is clearly the amount of commuting done by the ministry staff coming back for various meetings, the cost of housing them, the travel and expenses related to that and in fact lost time. In any of your studies of this, have you in fact attempted to cost those factors in?

Ms Kelch: I guess we're taking a slightly broader view, and that is that rather than assume that those costs are inevitable, for our move to St Catharines we're doing, I believe, some very creative work in terms of how we minimize the need for that move to take place at all. So the new facility in St Catharines is going to have state-of-the-art video conferencing ability. Already there is a variety of ministries in the Ontario government, most notably MNR, Natural Resources, and Agriculture, Food and Rural Affairs, which in fact are already testing this equipment and are having some very good success with it. We are going to be part of the final stages of that pilot, so we will be working very hard to ensure that we're using the technological solution rather than the moving-of-the-bodies type of solution.

Mr Turnbull: Good. That's excellent. It will certainly

avoid having to rent rooms in the SkyDome for meetings.
1650

Interjection.

Mr Turnbull: You have to get those in; you have to have some fun. How much do you think you're going to save out of this move?

Mr Elston: You call this fun?

Mr Turnbull: It's amazing; they pay us to do this.

Ms Kelch: Save in what respect, Mr Turnbull? I'm not sure I understand your question.

Mr Turnbull: Well, there must be some cost saving associated with this move; otherwise, why is it being done? Or is that not the case?

Ms Kelch: No, I think that all three governments, as they talk about these particular moves and putting them in place, the larger objective truly is to ensure that for those parts of the province that are having some challenges around employment and economic development, there's a role that the provincial government can play there. In St Catharines and the Niagara Peninsula generally there is a very real challenge in terms of high unemployment rates, and I believe that both our move as well as the move of the Ministry of Culture, Tourism and Recreation, should have a significant positive effect.

Mr Turnbull: Is it presumed that you will be able to pay people less for positions in St Catharines since the cost of living is less?

Ms Kelch: No, that's not the objective of the government. The rate that we currently compensate people at is consistent across the province, whether the employee happens to work in Bancroft or Thunder Bay or Thorold or St Catharines. If in fact you're meeting the specifications of that particular assignment, you would be paid at that rate.

Mr Turnbull: Tell me about the timetable of this. Are you on time? When would you imagine you'll have the whole process finished?

Ms Kelch: Yes, we're very much on time. As I mentioned, the first phase of notifying employees has in fact occurred and that met the timetable we had established for it. The building itself is being completed in two phases, which is why the people are being notified in two phases. The building is very much on schedule. We've had a very good construction year. No different from our road construction season, we've had a very good building construction season this past summer. We are about a month ahead of schedule at the moment. We're up at street level and we expect to be able to maintain that level of activity through the fall and through next year.

The first two aspects of the building will be ready for individuals to occupy them by the late summer of 1995 and then the second phase of employees should be moving in in the spring of 1996. So we see full occupancy by the summer of 1996.

Mr Turnbull: Thank you very much.

Minister, the state of our roads—and I certainly don't blame your government entirely for this—is deplorable. I was speaking to one of my constituents recently who drove up from the US and noticed as soon as he got off

the US interstates how the deterioration of roads existed in Ontario. I remember shortly after coming to live in Canada going to Quebec and remarking at the time how awful their roads were in comparison with the excellent roads in Ontario, but that is no longer the case.

Are you undertaking any program to ensure that roads don't get to the state that they have to be completely rebuilt? There is a critical point in road engineering, and I believe many of these roads have passed that point, which places extra burden on the ministry to rebuild these. Can you tell me about what you're doing there?

Hon Mr Pouliot: I certainly welcome the question. I used to mention the luxury of people in southern Ontario, that they were concerned about soft shoulders, paving and bicycling tracks, and where I live in northern Ontario we were concerned about the section between the soft shoulders.

We have 23,000 kilometres of highways in the province of Ontario. We have a little more than one tenth the population and we have climatic conditions that are different from the US. We have a different relationship with people within municipalities. When we make a comparison with Highway 75 in the States and we look at our terrain and at the length of the Trans-Canada Highway, and trans-Ontario highway, of course at times, with some portions, you can't begin to really compare.

Mr Turnbull: Well, let's compare with places like Michigan.

Hon Mr Pouliot: They have a phone every two miles.

Mr Turnbull: The minister isn't being very responsive.

Hon Mr Pouliot: Let me answer, David; I'm being candid here. But once you go inside the municipality, then you notice, if you go to Detroit or Buffalo, that Toronto is better, but that's because of the relationship between the state and the federal participation, which differs from ours. They have very little money.

We're doing a lot. We're spending more money on capital—we took a hit on operating, of course—than ever before. We are building the 407, but on the other hand we are rehabilitating—

Mr Turnbull: No, no, no. I'm not talking about building the 407. We're talking about maintenance.

Mr Duignan: Is that the 401 maintenance?

Mr Turnbull: Let me ask you, on the 401—you mentioned the 401—the lighting is in a deplorable state. I drove the 401 recently and I was trying to get some sense of how many lights were out because I saw how dark some patches were. It's very difficult when you're driving at night to be able to count them exactly, but there were some stretches where five lights in a row were out.

Mr Elston: That's between Woodstock and London.

Hon Mr Pouliot: There's a lot of good work—

Mr Turnbull: And that's in Metro.

Hon Mr Pouliot:—being done, as you have mentioned, no doubt. There's a lot of good work being done. We have a responsibility to strike a balance between what is new and what is being rehabilitated. Everybody likes

blacktop, and you are right, especially from here to—not especially, but very noticeably from here to Hamilton, for instance, it's not conducive to the best order and we're endeavouring little by little with the money available to rectify it.

Mr Turnbull: I would suggest that lighting is more vital than bilingual signs in Metro, Minister. I know that my colleague the Chair of this committee would like to ask a few questions.

Hon Mr Pouliot: What is this? I recognize the tone. What the heck are you—

The Chair: Mr Minister—

Hon Mr Pouliot: Excuse me, I'll answer that man here. What is it that you're saying about the bilingual signs?

Mr Turnbull: I would suggest—

Hon Mr Pouliot: I'm minister responsible for francophone affairs.

The Chair: Point of order?

Hon Mr Pouliot: Do you want the sign policy that the province of Quebec has?

Mr Turnbull: I'm simply saying that your priorities are wrong.

The Chair: Mr Turnbull, please.

Interjections.

Mr Duignan: Go back in your hole again.

The Chair: Please, please.

Hon Mr Pouliot: I've heard that tone for 350 years to my ancestry, so don't try it, buddy.

Mr Turnbull: Oh, don't give me this.

Hon Mr Pouliot: Go back to the dark ages.

Hon Mr Duignan: Crawl back in your hole again and stay there.

Hon Mr Pouliot: You'll get part of your answers tomorrow.

The Chair: Mr Duignan, would you like to withdraw that comment?

Mr Duignan: No, I wouldn't.

The Chair: Then I would sincerely appreciate some modicum of decency in the tone of your voice.

Hon Mr Pouliot: The Anglo attitude—

The Chair: That's completely uncalled for, Mr Duignan.

Hon Mr Pouliot: Well, he's absolutely right. Look at the tone of your colleague.

Mr Duignan: Exactly.

Hon Mr Pouliot: You think we can't read between the lines?

The Chair: He asked a question.

Hon Mr Pouliot: Come on, come on.

Mr Turnbull: I was expressing the opinion of my constituents.

Hon Mr Pouliot: Yes, that's right. What is the opinion of your constituents about, what, bilingual signs—

The Chair: Minister, this is not the—

Hon Mr Pouliot: —about giving them a share—

The Chair: Order.

Hon Mr Pouliot: You're about this close from bigotry.

Interjections.

Hon Mr Pouliot: Oh, go and take that somewhere. Take it to the Reform place where you belong.

Mr Turnbull: Don't give me that guff.

The Chair: Minister, I still have 15 minutes remaining in estimates. My colleague has indicated that with the support of the committee I would be permitted to ask a quick question on my colleague's time. If there's no problem, I won't leave the chair.

Mr Wiseman: The maximum is five minutes.

The Chair: No, I just want to put a question on the record, that's all, if I may.

Mr Elston: Go ahead.

The Chair: The question that I'd like to put for the ministry's consideration has to do with a recent proposal before Ancaster council to use crumb rubber or used tires as abutment road fill for the first time in Ontario's history, and I have a series of questions of the Ministry of Transportation, which is sponsoring the project, if it could respond subsequent to estimates with regard to matters around the rubber-modified asphalt program of your ministry, to what extent that program is still a viable program or if in fact the ministry is refocusing its priorities into burying raw rubber and not modified asphalt product.

Concern has been expressed about this, and in particular we'd like to know what studies have been done to indicate that shred rubber mixed with soil is appropriate for landfill on the 403 in Hamilton-Wentworth region and why no public hearings.

Will the Ministry of Transportation and/or the Ministry of Environment and Energy offer to the municipality of Ancaster a save harmless agreement in perpetuity in the event that the experiment contains leachate and contamination and do the cleanup at public expense; what correspondence may have occurred between Dr Kennepohl of the Ministry of Transportation and Eileen Smith of the Ministry of Environment; if any agreements, either formal or informal, have occurred between the two ministries with respect to the corroboration in this project and if in fact the purpose of the project is to force a determined policy statement about where used tires may or may not be buried within the province of Ontario?

The Ministry of Transportation, I understand, is the lead in the project. Had there been more full time, I would have liked to have pursued those questions more directly, but I believe we would like to know which ministry is driving this road modification plan, which essentially on the surface of it appears to be a form of landfill using tires.

Mr Elston: So which one of those questions is the quick one you wanted to pose?

The Chair: The one about the save harmless agreement given to the municipality of Ancaster if there is leachate as a result of this Ministry of Transportation

project on the 403 overpass. Time won't allow for a fulsome response. I'd like it, but my colleague yielded me only two minutes. I've put the questions on the record and I thank the committee's indulgence.

Mr Turnbull: Mr Chair, in view of the minister's outburst when I made my comments about priorities, I think I'm going to insist that the record show that there may be people—

Mr Daigeler: Mr Chair, this is not appropriate.

Mr Turnbull: Excuse me, Mr Daigeler, this is rather important.

Mr Daigeler: We're not in any kind of new rotation.

The Chair: The Chair will entertain a point of order, but the Chair is—

Mr Turnbull: This is outrageous.

The Chair: Mr Turnbull, please.

Mr Turnbull: The minister said that—

The Chair: Mr Turnbull, please, I'm trying to give you the floor properly. I recognize Mr Turnbull.

Interjection.

The Chair: I did not hear a point of order. Mr Daigeler, you're out of order.

Mr Daigeler: Under what rule are you giving Mr Turnbull the floor?

The Chair: Mr Turnbull still had a few moments left of his time. He has almost completed his time, and I did not hear a point of order. Mr Turnbull, your time has pretty well expired.

Mr Turnbull: Mr Chairman, I did not make in any way, shape or form a remark that could be considered to be racist, to be biased against francophones, because I can tell you, I am a great supporter of francophones.

Laughter.

Mr Turnbull: How dare you laugh at that? The fabric of Canada is that much the better for having the multicultural aspect. But I will tell you that the constituents I have are telling me that the priorities are wrong when you spend millions on bilingual signs in Metropolitan Toronto and in Hamilton, where I have never heard of anybody getting lost because they didn't have a French-language sign, while at the same time lights are out five in a row on the 401. You want to talk about safety? That's safety.

I would ask you to retract your derogatory remarks, which were totally uncalled for.

The Chair: I would indicate that this is the conclusion of the comments around the estimates, by agreement. The Chair, at least, is ready to call the vote.

Shall the 1994-95 estimates of the Ministry of Transportation, vote 2901, be approved? All those in favour? Opposed, if any? Carried.

Shall vote 2902 be approved? All those in favour? Opposed? Carried.

Shall vote 2903 of the Ministry of Transportation be approved? All those in favour? Opposed? Carried.

Shall vote 2904, estimates of the Ministry of Transportation, be approved? All those in favour? Opposed? Carried.

Shall the 1994-95 complete estimates of the Ministry of Transportation be approved? All those in favour? Opposed? Carried. Shall the estimates be reported to the House? All those in favour? Opposed? Carried.

This meeting stands adjourned.

The committee adjourned at 1705.

CONTENTS

Monday 12 September 1994

Ministry of Transportation	E-539
Hon Gilles Pouliot, minister	
George Davies, deputy minister	
David Guscott, assistant deputy minister, policy and planning	
Carl Vervoort, assistant deputy minister, operations	
Kim Devooght, assistant deputy minister, safety and regulation	
Ken Knox, assistant deputy minister, quality and standards	
David Hobbs, chair, GO Transit	
David Aronoff, director, financial planning and evaluation branch	
Mary Proc, assistant deputy minister, corporate services	
Margaret Kelch, assistant deputy minister, relocation	

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

***Vice-Chair / Vice-Président:** Arnott, Ted (Wellington PC)

Abel, Donald (Wentworth North/-Nord ND)

Carr, Gary (Oakville South/-Sud PC)

***Duignan, Noel** (Halton North/-Nord ND)

***Elston, Murray J.** (Bruce L)

Fletcher, Derek (Guelph ND)

Hayes, Pat (Essex-Kent ND)

***Lessard, Wayne** (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

***Ramsay, David** (Timiskaming L)

***Wiseman, Jim** (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Dadamo, George (Windsor-Sandwich ND) for Mr Abel

Daigeler, Hans (Nepean L) for Mr Mahoney

MacKinnon, Ellen (Lambton ND) for Mr Fletcher

Rizzo, Tony (Oakwood ND) for Mr Hayes

Turnbull, David (York Mills PC) for Mr Carr

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

ISSN 1181-6465

Legislative Assembly
of Ontario

Third Session, 35th Parliament

Assemblée législative
de l'Ontario

Troisième session, 35^e législature

Official Report of Debates (Hansard)

Tuesday 13 September 1994

Journal des débats (Hansard)

Mardi 13 septembre 1994

Standing committee on estimates

Ministry of Community
and Social Services

Comité permanent des budgets des dépenses

Ministère des Services sociaux
et communautaires

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 13 September 1994

Mardi 13 septembre 1994

The committee met at 1011 in room 228.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Acting Chair (Mr David Johnson): Ladies and gentlemen, we're beginning with the minister's statement. Minister, you have up to half an hour for your opening remarks.

Hon Tony Silipo (Minister of Community and Social Services): Thank you very much, Mr Chair and members of the committee. Good morning. Although I've had the pleasure to appear before the estimates committee before, this is the first time that I've been here in my capacity as Minister of Community and Social Services. I think we've distributed copies of my statement to hopefully assist members of the committee as we go through. Let me just say that I look upon our time together over the next two days as an opportunity both for me to bring you up to date on the advances that we've made as a ministry and for us to engage in a positive exchange of ideas about our work.

The last time a Minister of Community and Social Services appeared before the standing committee on estimates was on October 6, 1992. Clearly, a lot has happened since then and many changes have been made in the way in which this ministry conducts its business.

This ministry is indeed large and complex. As any previous minister can tell you, it's a tough ministry to run at the best of times. The services we offer are as diverse as the individuals who need them.

We serve about one person in nine in Ontario on a daily basis through social assistance alone. On top of this, we also help tens of thousands of others, whom we serve either directly or through 3,449 partnership agencies in the community.

To do this again in fiscal year 1994-95 will cost \$9.49 billion, or 3.5% more than we spent in 1993-94. This is the lowest increase in the ministry's spending for more than 20 years. It is also the second-largest operating budget in the Ontario government.

The people we serve come from the four corners of the province, from every walk of life, and from all racial and cultural groups. They are the people with physical and developmental disabilities, children at risk who need protection, women who seek shelter from their abusive spouses, children attending child care and their parents, and people who need social assistance.

Our challenge as a ministry is to ensure that there are systems in place which effectively provide people with the services and supports they need to take care of themselves and their families. That challenge has never

been greater than during these difficult financial times.

For more than four years, this government has had to cope with the implications of a serious recession, which has hurt thousands of people across the province. And, of course, the government's revenues during this same period have been reduced—in part due to the jobs lost, in part due to the actions of the federal government, which, by capping the Canada assistance program, shifted \$6.7 billion to Ontario taxpayers since 1990-91, and continues this to the tune of \$1.7 billion a year.

Despite these odds, we have moved forward to meet the challenge of providing much-needed help and support to hundreds of thousands of people across the province who are anxious to help themselves.

Today, there are encouraging signs that the worst of the recession is behind us. There are signs of hope.

Jobs are being created, public services are being preserved and spending is under control. Unemployment was down to a seasonably adjusted provincial rate of 9.4% last month, the lowest it's been since September 1991.

Social assistance case loads have decreased each month for the last five consecutive months and the figures indicate that we have just experienced the most significant month-to-month decrease in the social assistance case load since July 1989.

This is good news. But we must continue to improve on these gains and work towards better management of the social service system, more responsive and individualized services, greater effectiveness and efficiency, and greater affordability for everyone involved, including the taxpayer.

Before I address specific areas of the ministry's expenditures, policies and services relating to social assistance, child care, developmental services, children's services and anti-violence initiatives, I want to set before you the broad new directions that this ministry has undertaken.

First, we had to get our own house in order. At the corporate level we have reorganized to provide better coordination between policy and program management.

We have closed our four regional offices and established a direct relationship between the central office and the area offices. This is resulting in better decision-making at both the central office and the area office levels and has improved service to our community partners and the individuals we serve, and has made for a better-managed social service delivery system.

In 1990-91, the ministry employed 11,267 people. Today our staff stands at 9,865, down almost 800 from

last year alone. This smaller workforce is better managed, more efficient and more responsive to the needs of our clients and service providers. Also, it is more reflective of Ontario's diversity. We have successfully redeployed over 90% of the people affected in this ministry.

Last month we released the ministry's MCSS Restructuring Framework: A Work in Progress to all our ministry's transfer payment agencies as a work in progress intended to guide the work of the ministry and its partners over the next several years. This framework will be refined, based on our experience with restructuring initiatives over the coming months.

Restructuring is about addressing the potential for realigning resources for supports and services within a community. It's about developing new management skills to help us learn to live within our means and reinvesting in our communities and in the system as a whole.

It's also about seizing opportunities to provide better services for people and, most important, to involve those people who use the system in each step of the community planning process. Their participation is vital, because they are the best people in the community to provide the advice and leadership necessary for change, and to know what services are needed.

Where priority service needs have been met and expenditure reductions managed in a community, any net savings realized will be reinvested back into that community.

One of the ways we are encouraging this restructuring is with the \$6.8-million community innovation fund I announced last spring. It will be used to enhance projects that are creative and demonstrate a cooperative and collaborative approach between and among community agencies, while making a significant and positive difference to the people we serve.

This restructuring of the ministry and delivery of ministry services through greater efficiency, effectiveness and better management will affect both providers of service and those who receive service. The end result will be a better social service system in Ontario, one that meets community needs and one that the people of Ontario can afford.

Further, restructuring was one of the key goals of the social contract. There are a number of provisions in the community services sector agreement that encourage and support restructuring.

Key among these are the provisions related to retraining and redeployment within the sector. In the next few weeks, the ministry, working with its sector partners, is expecting approval from the Public Sector Labour Market and Productivity Commission in the Ministry of Finance for the establishment of the community services sector training and adjustment council.

This council will provide a broadly based labour adjustment strategy for the sector, including a job registry, matching funds for employers to encourage training, and the administration of the job security fund to assist displaced workers in approved training programs.

The first of the specific areas of the ministry mandate that I want to address is social assistance.

This ministry is determined to give people on social assistance the help and opportunities that they need to exit the system. This is in the best interests of everyone concerned.

We are succeeding in our goal. For the fifth consecutive month, we have seen a decline in the number of people who receive social assistance. Since March, there are almost 23,000 fewer households, or almost 37,000 fewer people, receiving social assistance in Ontario today. These figures represent a decline of 3.3% over the five-month period. In human terms, it means that the quality of life for thousands of Ontarians has improved.

I am cautiously optimistic that this encouraging downward trend in the number of social assistance recipients will continue as the general economy strengthens.

But this hasn't happened by itself. This government and this ministry have been at the forefront of getting people off social assistance and back to work. Jobs Ontario Training alone has created more than 50,000 jobs, including 19,000 for people who were on social assistance. To this can be added the success of our supports to employment program, which helps 97,630 people rejoin the workforce and have their wages topped up to a predetermined level.

JobLink Ontario, which I announced this past spring, adds significantly to these efforts. It realigns numerous programs into one and mobilizes communities to focus efforts to address people's needs as they move from the social assistance system into mainstream employment opportunities. JobLink Ontario will be sensitive to the racial and cultural needs of the individual, as well as to the short-term and longer-term needs of the people we serve.

It is designed to make existing training and job creation programs more accessible to social assistance recipients and to centralize information and resources into one-stop shopping places to make it easier for people to help themselves.

All of the employment programs funded by the ministry will eventually be integrated into JobLink Ontario. We are adding \$25 million to the already more than \$200 million that this government has committed to help people on social assistance enter the labour force.

1020

Even the federal government has recognized the significance of JobLink Ontario by joining with us through their \$25 million contribution, which doubles the money set aside by Ontario for this fiscal year alone. We are now able to move forward with confidence to establish initial JobLink Ontario centres in about a dozen communities throughout the province over the coming months.

Almost half of the \$50-million JobLink budget this year will go towards creating about 10,000 additional training spaces to help prepare social assistance recipients for the new jobs that will be created by our expanding economy.

Also, the JobLink Ontario innovations fund which I announced on June 21 will create access to training and

employment opportunities for social assistance recipients through community economic development, and we have introduced incentives into JobLink that will support individuals who want to set up their own businesses, as well as the needs of first nations. We are confident that this initiative will go a long way towards getting Ontario back to work and back on the road to prosperity.

I regret that we have not been able to proceed with full reform of social assistance at this time. As members of this committee can appreciate, it was not possible to move forward in the way that we wanted because of the fiscal hardship facing the government and the lack of support from the federal government.

We had hoped that a new government in Ottawa would have been more responsive to our needs. However, the Liberal government has not only continued the cap on CAP authored by their Conservative predecessors, but they have added to our burden by tightening eligibility to unemployment insurance and shifting the cost to Ontario taxpayers to the tune of \$100 million in this fiscal year. They have also cut support to refugee claimants, costing us a further \$16.5 million annually.

Total reform of social assistance in Ontario remains our goal. However, we are moving forward. We will continue to make improvements, including:

- Providing better service and protection for people through a more effective appeal system.
- Clarification of client rights and responsibilities.
- Policies with respect to the treatment of victims of family violence.
- Assisting individuals towards employment by marketing the supports to employment program to ensure that all recipients are aware of the supports that are in place for them.
- Working with first nations to create a system that is sensitive to their unique needs.

The insights and knowledge that we have gained in the reform process will stand us in good stead as the federal government brings forward its discussion paper on social security reform.

We have already approached the federal government with our proposal for an Ontario child benefit program. We feel that this is a progressive social policy initiative designed to help deal with child poverty not only in Ontario but across the country.

All of what we are doing in the area of social assistance, everything I've just outlined, has to be done within the parameters of a well-managed, responsible and responsive system.

In 1994-95, social assistance expenditures are estimated at \$6.8 billion. This is the largest single budget item within the ministry, and Ontarians demand prudent management of that amount of money.

We know that most people on social assistance need it. The challenge we face is to provide that balance between providing good service for those who are in need, and trying to give them the opportunity to exit the system, while stemming abuse where it does exist.

Last spring we began hiring 270 extra staff to mini-

mize irregularities and better manage the system. These people will help re-examine every welfare case the province administers, to make sure that all of the needed information is correct.

In 1993-94, we allocated approximately \$4 million to over 50 municipalities so that they could improve their management of the system. We also allocated annual provincial funding in the amount of \$10 million in 1994-95 and another \$10 million in 1995-96 to municipalities throughout the province so they can conduct their own case file investigations.

Outside of Ontario, we are moving ahead with agreements with the western provinces and Quebec to ensure that no one is getting social assistance payments from more than one source and that the integrity of the system remains intact.

In order to prevent overlaps in payments, we are also working on a direct interface with federal support programs such as the Canada pension plan, unemployment insurance and workers' compensation.

Within Ontario we have developed a new case load computer system for income maintenance workers which will be used by municipalities and the province. It will go a long way in helping both levels of government to streamline and improve their service delivery to those in need. It will also alert us quickly to any irregularities in the program. It will further ensure that workers have more time to spend helping people on social assistance to obtain training and employment opportunities.

This automated application process is already under way as a pilot project in Metropolitan Toronto and is being conducted by Metro social services. A second pilot will begin in Brantford by early this fall, and by the end of this fiscal year we will have up to 30 sites using case worker technology across the province.

But there is still more for us to do. We have been making, and will continue to make, steady progress in improving Ontario's social assistance system. Many of the changes that we saw outlined in the Social Assistance Review Committee's report, Time for Action, in the Back on Track paper and in Turning Point have been or are in the process of being implemented.

The second area that I want to address is child care. The government is well aware of the key role that child care plays in supporting families. The ministry is proud of the positive changes it has made in the child care system in this province, despite the lack of funding from Ottawa and with the odds of recessionary times ranged against us.

Let me detail some of the accomplishments since 1990-91.

In 1990-91, the budget for child care was \$350 million. This fiscal year that amount has risen to \$565.6 million, which is a 62% increase.

We've added 21,000 new child care fee subsidies to the system, 14,000 through Jobs Ontario with 100% provincial support, which is a 45% increase over 1990-91.

We were able to provide wage subsidy funding to child care staff amounting to \$116 million per year in 1993-94, which is an 85% increase over three years ago.

Through the conversion initiative, the government's commitment to supporting the transition of commercial operators to non-profit status has expanded the not-for-profit system by 3,500 spaces. It is our goal that half of the existing 30,600 commercial spaces will become non-profit by the end of fiscal year 1996-97.

I think we can be proud of these accomplishments. The system is now more responsive to the needs of parents who are out seeking work or improving their skills through training courses. Also, more teenaged single mothers are able to return to school.

And our interlocking strategy between child care and employment is working. We are creating the jobs, more people can take those jobs because of our fee subsidy program, and more people are able to live productive and dignified lives, knowing that their children are being well cared for in the best child care system in this country.

And to ensure that we can do significantly more, we have been pursuing our fair share of funding from the federal government. We submitted a proposal to them last June requesting funding which would move child care towards a public service model, making it more affordable and accessible.

Our discussions at the ministerial level have been positive. We will be pursuing these discussions at the official's level later this week with a view to accessing Ontario's fair share of both the strategic initiatives funds and the child care dollars outlined in the federal Liberal Party's Red Book at the time of the last federal election.

In the meantime, we're moving ahead with other progressive changes. These include developing consistent rules for subsidy eligibility determination, improving access to fee subsidies through the strategic use of approved corporations, developing strategies to strengthen child care-school relationships jointly with the Ministry of Education and Training and continuing policy development to help first nations and aboriginal communities design, plan, manage and control their own child care services.

Earlier I said that this ministry touches the lives of people who might not be able to help themselves. Perhaps there's no better example of this than the supports that we provide to people with developmental disabilities.

A few months ago the ministry completed the seven years of the multi-year plan for people with developmental disabilities. During this time we furthered the ministry's strategic vision for the developmental service system as outlined in the 1987 document *Challenges and Opportunities*.

Since 1987, we've continued the development of a system of community-based services and we've provided opportunities for thousands of people to move back into the community. We've maintained, or improved, the quality of support for those continuing to live in the ministry's directly operated facility system.

Our total spending on these services went from a total of \$796.8 million in 1990-91 to just under \$914 million at the end of last fiscal year. This is the largest single budget in the ministry, next to social assistance.

Our financial support to transfer payment agencies during this time went from \$488.9 million to \$633.2

million, while dollars for the directly operated facilities declined from \$308.1 million to \$281.1 million. This move from facility care to community living has created an additional 10,000 spaces in the community living sector and an estimated 3,800 jobs to support them.

Two months ago I announced that a further \$29 million was being diverted from facility budgets into community living opportunities for people with developmental disabilities.

1030

Three million dollars of that money will be added to our popular special services at home initiative, which is designed to allow families to keep members at home with an appropriate support system. A further \$3.2 million will go towards moving people into the community from nursing homes and ministry facilities.

What concerns this ministry, however, are not so much the numbers as the real people represented by those numbers.

We are helping about 30,000 people with developmental disabilities throughout the province whose quality of life depends to no small degree on the caring support of this ministry.

Our primary concern is for those people and their families. It is also the concern of some 380 volunteer, non-profit agencies that join with us in community partnerships. Together, our goal is to make community living alternatives a reality for every person with a developmental disability in this province.

The ministry and its community partners can be proud of the many accomplishments that have been made. However, we know we can still do better.

That is why we are in the process of bringing together the separate and distinct resources we've built up over the years into a more collaborative responsive system for those who need it.

It means greater community cooperation and partnerships in the future, and it means a better-managed system and a system that promotes the dignity of the individual, and empowers that individual.

This is being done, in part, through three major initiatives that will form the basis of the new policy framework for developmental service in Ontario.

The first of these is the accountability project that is designed to improve accountability in both directly operated and ministry-funded community services.

The second major direction for the future is the quality of life project. This initiative is designed to evaluate the impact of the ministry-funded programs on the day-to-day lives of people with developmental disabilities.

The third initiative, which we are presently researching and evaluating, is the levels of support project. Through this, we hope to ensure a more consistent and reliable assessment of the type and amount of support which an individual requires.

Our developmental services framework will guide our work into the future. Challenges and Opportunities encouraged the movement of people from institutions into the community. The framework will build on that process

and support more individuals to live at home with their families.

The next general mandate I want to address is this ministry's responsibility for the health and wellbeing of children.

In 1993 the ministry established the policy framework for services funded under the Child and Family Services Act. This was based on extensive policy work over the previous three years in conjunction with unions, transfer payment agencies and our other community partners.

The framework calls for more creative and responsive ways to better manage the complex array of services that we have for children in need.

Our aim is to remove barriers that have previously impeded satisfactory access to services and to encourage a more effective partnership with local communities in both the planning and allocation of resources.

We have also moved forward to better target services for those children who are vulnerable and most in need of support, and we are currently developing with our stakeholders options around more equitable funding mechanisms across all areas of the province.

And, most importantly, we are focusing on accountability on the outcomes of our services to children and youth and their families.

As we proceed to implement the framework, we will be working very closely with parents and youth who will be most affected by service delivery. We will be relying on their input into these services and we are aiming to have a third of the membership of local community planning committees made up with parents and youth.

One of our main objectives with children's services is to try to identify early symptoms and environmental factors that might indicate a risk for children and their families in the future.

As members of this committee are aware, the ministry's highly respected Better Beginnings, Better Futures project is based on identifying potential problems and promoting prevention and early intervention so that children can have a more solid start in life.

It shows what can be done when community groups come together with professionals in the social services field to work collaboratively for the future wellbeing of children.

It also shows the worth of interministry partnerships. The Better Beginnings, Better Futures project joins this ministry with the ministries of Health and Education and Training so that the government, as a whole, can bring unified direction and purpose to an important segment of the overall social service needs of Ontarians.

In keeping with the principle of helping children early in life, the ministry took two important initiatives this year to give children and young adults the support they need to face the future.

The first initiative was to make an additional \$3 million available so that all eligible crown wards, once they reach 18, could receive a common minimum of \$663 a month until they reached the age of 21.

This applies to all youth in Ontario who entered into

an agreement with their children's aid society to work towards specified, individual career goals.

When I made this announcement last May at the OACAS annual conference and bursary awards dinner, this ministry was applauded by the crown wards for its understanding and support for a group of youth who had often been forgotten.

The real credit, though, goes to those young men and women who helped us, through their experiences and insights, to arrive at this policy. We listened very carefully to what they had to tell us, and their reaction to my announcement was confirmation that this ministry does care about their future endeavours.

The second important announcement we made in recent months was the introduction of the child nutrition initiative. Its goal is to promote healthy development for children, primarily between the ages of four and 13, and it will support communities at risk of experiencing problems with child nutrition.

When I made the announcement in the House, the Coalition for Student Nutrition welcomed the announcement and stated that by implementing this community-based program, the government has shown that it understands that student nutrition programs work best when parents, teachers and the broader community are involved in a delivery model based on partnership.

With funding of \$1 million every year, we will help community-based groups, including schools, to launch or improve a range of child nutrition programs.

We will announce, in the next few weeks, the organization chosen to administer and promote the program. It will be supported by an advisory committee and will encourage the community and private sectors to contribute to the various projects taking place within their communities.

The last major area of children's services I would like to address is the young offenders program.

Although the Young Offenders Act is a federal one, the provinces are responsible for administering the act and this ministry is responsible for providing young offender services for children between the ages of 12 and 15. Offenders who are 16 and 17 years old have services provided to them by the Ministry of the Solicitor General and Correctional Services. Both these ministries work collaboratively with the Ministry of the Attorney General.

An office of youth justice has been established so that these ministries can work together more closely in matters concerning young offenders.

To further address our responsibilities under the Young Offenders Act, we have taken a number of steps to make the system more responsive to those it serves, and to improve the overall management and effectiveness.

The policy framework for children's services, which I addressed in some detail earlier, contains the basic groundwork and direction that we need on which to base our current and future planning.

The ministry has established an operational plan for young offender services which focuses on: an improved range and appropriateness of services; an improved use of services, within the limits of available resources; reduced

reliance on residential care; and more effective interventions with each of the clients we serve.

What all this means is that we've looked at the changing volumes of young people we are dealing with, and how we can manage their needs during a time when we have limited resources available to us. We are doing this in a way that is mindful of the cultural diversity of the youth population and with an awareness that racism might play a part in the system.

You might recall, Mr Chair, that the Provincial Auditor addressed the young offenders program in his last report to the people of Ontario. We welcomed his thoughtful recommendations, and the public accounts committee reviewed the findings with us during a two-day meeting last February.

This discussion went well and we are confident that the steps we have taken have addressed all of the Provincial Auditor's concerns. Indeed, many of the points raised in his report had already been identified by the ministry, and corrective action was already in hand when the report was released.

The last matter I want to address with regard to children's services concerns the standing committee on social development's report *Children at Risk* which was tabled in July.

Although I will be responding directly to the committee's report, I think I have covered today most of the major points that were raised in that document.

We were already addressing and acting upon many of the recommendations in the report. However, it was gratifying to see that the committee's work had paralleled our own in identifying those areas that needed improvement.

The last subject I want to address today is family violence.

It is a sad fact that violence within the family circle is all too common today, and it's part of this ministry's mandate to offer protection to vulnerable family members.

Since 1990-91, we have increased our spending on shelters for battered women by 39%, from \$49.9 million four years ago to \$69.5 million this fiscal year. This reflects a 25% increase in shelter beds, as well as an increase in the diversity of services offered to abused women.

Included in these expenditures is a \$10-million wife assault enhancement fund created in 1991-92 to increase the accessibility to services for women from disadvantaged groups such as visible minorities, native, franco-phone, rural and people with disabilities.

We continue to be challenged by the lack of stability in shelter revenues which creates pressures on shelters to charge the residents a fee. Under the General Welfare Assistance Act, municipalities have the discretion to contribute hostel per diems to shelters under the 50-30-20 formula among the three levels of government.

Five municipalities have withdrawn their per diem support agreement with hostel operators. A few others have capped their contributions, either through limiting the amount of per diems paid or the length of stay that they

will recognize. We are concerned about the situation and its impact on the ability of some shelters to meet women's needs. To address the situation, our area offices are working with individual shelters to ensure that the basic needs of abused women and their children are being met.

1040

We are also working closely with women's advocates, service providers and abused women to make the male batterer program more effective. This ministry funds 33 community programs for male batterers. Thirteen of these are cofunded by the Ministry of the Solicitor General and Correctional Services. This government is very committed to supporting efforts to end violence against women. Male batterer programs are one approach for eliminating this violence. We want to ensure that these programs are effective. We are working closely with other ministries and directorates within this government and with the Solicitor General of Canada to evaluate and improve these services.

I said at the beginning of my remarks that this is a tough ministry to run. During the last half-hour, I have tried to touch only briefly on some of the challenges this ministry faces, and on only some of the views that we have heard expressed. I've tried to set before this committee an impressive list of things that we have done to help well over a million people in their time of need during almost impossible economic times. I've also outlined for you the directions in which this ministry has chosen to go, directions that reflect a better managed system of social services in Ontario and systems that are effective and affordable.

In conclusion, I want to publicly thank everyone in the ministry as well as all the professionals who work together with us in the agency system and the volunteers across Ontario who devote so much of their time to helping others. The dedication all of these people have shown during some stressful and uncertain times has made Ontario a better place for everyone.

The Acting Chair: Who will be responding for the Liberal Party? The member for Ottawa-Rideau, you have up to half an hour for the response.

Mrs Yvonne O'Neill (Ottawa-Rideau): I don't think I'll need that long, Mr Chairman. This ministry, as the minister has stated, is about lives and I'm sure he gets likely ten times as many letters as I do and I don't think they all reflect exactly his perspective that I saw this morning. I think the ministry provides many challenges, and I guess I hear the minister's accounting of what I feel has been foot-dragging in the ministry on some very significant initiatives.

I want to congratulate him, however, on his own personal efforts to cooperate with municipalities. I think that is key to this ministry being as effective as possible. In the administration of social assistance, I was very pleased when we talked about the better and more effective distribution of funds that involved actual allocations to the ministry to help that happen. I hope the municipalities will continue to take a very high profile with JobLink and also with the shelters.

There is an awful lot of uncertainty still surrounding the direction of the ministry even though the minister makes some significant statements this morning. There is a lot of misunderstanding yet about where social assistance reform is going to go, and as I've sat on the social development committee in our most recent set of hearings, there is still a lot of confusion about the role in long-term care. They saw three ministers appearing together in the beginning of the long-term care reform, and now we have only one minister speaking.

I'm quite concerned that the main area, I still feel—and it may be a perception, but certainly even in this morning's presentation—that the conversion of child care still has such a very high profile in children's services. I tend to feel that the Children at Risk report is not as far along in its recommendations being implemented as the minister indicated this morning. I do feel there has been a great deal of uncertainty surrounding children's services, and that has really disrupted a lot of lives, whether they be front-line workers, parents of children at risk or, indeed, the children themselves.

I am pleased that the crown wards have gained some successes and they have actually come before us in social development to tell us how that has changed their outlook. Child care will certainly be part of my questioning as we proceed through this section of hearings. The adoption reform is totally lacking this morning and that confuses me, because the minister has on other occasions personally talked about that with quite a deal of fervour.

Children, then, in my mind, are certainly not one of the main priorities as far as expenditures go, and I know that ministry has a lot of strings on it. I guess I'd like to see much more said about preventive programs for children. I'd like to see us clarify that criteria for subsidy, and I know the minister did indicate that's an area he's working on because that too changes lives, and sometimes the parents that I'm talking about are almost young people themselves or are young people. Many of them come to me and are confused that the only way they can get a subsidy now is if they're on social assistance. Some of them are only trying to enter the workforce and they're not yet on social assistance and certainly some people who are really at very minimal levels of employment and coming off UI are still mixed in that criteria maze as well.

The social assistance reform that I mentioned—again, I do not have exactly the same rose-coloured glasses as the minister about the recommendations of Back on Track and Time for Action being implemented. The reason I say that is, I have assessed them and I do think the most significant reform, the reform of the unification of the social assistance system, is not yet even in motion. I think that has to be tackled. I think the people, both recipients and certainly front-line workers, think that would ease their lives a lot.

I guess I'd have to say at this moment that I think there is some misunderstanding over the summer of those figures that are coming. I'm glad the figures are coming but I don't think they're totally understood because many people are going on to FBA and they still are going on to FBA and I'm not sure that the STEP program and the

other, whether it be Win, the more outdated program, but STEP in particular, are yet being seen as the alternative to these people, particularly the young people who are going on FBA, the single mothers.

The STEP program: From the very beginning of the mandate of this government, people in the municipalities, the people who are using the program have said over and over again that they want to know more about it, that it must be simplified, and yet again this morning the minister is putting that in the future tense. I checked that. He said "will." I hope it is being done as we speak. It is still, in my mind, a program that has an awful lot of merit. The setback to the program—I think it was in the summer of 1993 with the changes through the expenditure control plan—did confuse people about the commitment of the government to that particular initiative, which I think is universally accepted as an excellent alternative to people on assistance.

I'd like to know a little more, and I hope we will as we proceed through this, what the results of your initiative to curtail the welfare fraud have been. You must have some initial results, some of the figures that have come forward over the summer. Some people are indicating there's a direct relationship. I tend to think the municipalities, as I say, were encouraged by your initiative and their ability to cooperate in that. Student welfare is one area that I think municipalities have got more courageous about and some of the leadership you've shown in understanding that issue—and it is a very sensitive one—I also feel I must commend you for.

I'm hearing news again this morning about identification cards. I don't know how authentic that news is. You didn't mention anything about that this morning. I'd like to pursue that a little more. I do feel the computerization is—and I'm glad you mentioned this morning that you are very concerned with hooking up with the feds as well in their plans and I hope your talks continue to be what you consider fruitful.

I am confused by the budget, all of that being said, in that you continue to project growth in social assistance. Whether that is going to change in quarterly reports, I don't know, but the projection of growth in social assistance, when we do seem to have at least a small corner turned, I would like to have you talk a little bit more about that as the week progresses.

1050

You talked about your commitment to the developmentally handicapped, and as you know, on the floor of the Legislature that is not accepted as you see it. I was in Thunder Bay very recently, and certainly on that occasion the effect of the closure of the Northwestern Regional Centre was brought very close to our minds and indeed to our hearts. It was brought to us by the doctors in public practice. They indicated to us that in the north in particular, and particularly in that centre, the supports just aren't in the community, and we get that from several parts of the province, but this was a particularly poignant presentation. They can actually trace some of these individuals now to the emergency wards of the acute care hospitals as well as to the correctional institutions.

That was certainly not the kind of news we wanted to

hear. I don't know how much of that you've heard, but I do think that the elderly parents who write me are still quite frightened. They still feel that they can't carry on. They still have fears about what is out there for their son and daughter. No matter what their age, they are still in need of care.

I thought your figures this morning, regarding the jobs that had been created for the developmentally handicapped, were rather generous and I certainly would like to know what that program involves. I know that Kingston seems to have some excellent efforts in that regard and I'd like to know a little bit more about that.

I want to ask a few more things about the ministry's expenditures within itself. Restructuring and refining, you see all the up sides. There seems to still be a lot of feeling that there have been cutbacks in service, cutbacks in support, even to employees. Some of them talk to me about the thousand small cuts or whatever that phrase is; I'm not familiar enough with it. I'd like to know a bit more about the employee benefits because in almost every category, in every vote, the employee benefits seem to exceed what your projections were and that's confusing. The social contract, though it is designed as a saving mechanism, is very expensive for many agencies to administer, and you likely know that. There were legal fees involved, there were mediation fees, there was time, there was overtime and many of them have brought to my attention the difficulty they are having in absorbing those costs in their regular budget.

They are also bringing to my mind, and I am confused, as I was last December, the third-party payment that is coming forward from changes in the regulations around expenditures of the Ministry of Health that are ordered through the Ministry of Community and Social Services Act and other acts that are administered through your ministry.

Those are my comments. I guess I feel we have been through tough times. They are depressing times. I think our role as legislators is to lead people to another level of hopefulness. So what I guess I'm asking of the ministry is that we see more about prevention, and Better Beginnings, Better Futures is your best example and you used it and I'm happy about that, because it's certainly one of the favourites of mine and many people across the province, the STEP program, the programs that really do move directly into people to give them a new look on life and a new hope and the supports that are needed to make that hope be fulfilled.

Those are my remarks this morning. I'm very anxious to get down to the nitty-gritty of the votes.

The Acting Chair: Thank you for those remarks. That brings us then to the Progressive Conservatives and the member for Burlington South.

Mr Cameron Jackson (Burlington South): Thank you—

Mr Murray J. Elston (Bruce): Do we still have Progressive Conservatives? I thought we'd taken "Progressive" off that.

Mr Jackson: It's like a rude label. I use the word the odd time.

The Acting Chair: I see the member for Bruce has joined us. Welcome.

Mr Jackson: We're not all rude. Just the odd one.

Mr Elston: I'm back.

Mr Jackson: You're back. How are you doing Murray?

Mr Elston: Fine.

Mr Jackson: Thank you very much, Mr Chairman. I want to welcome the minister here to his first Comsoc estimates, to thank him for providing us with his opening comments and to share with us in more matter-of-fact terms than in future or vision terms definitions around his role as minister and his ministry within the Bob Rae government at this period in time.

I couldn't help but be struck by a couple of themes that I felt were running through the minister's opening comments today, by a reference in about four places, the notion that, "We would like to be doing more, or we have been unable to do anything substantive by virtue of some other level of government either not agreeing with our timetable or agreeing with our approach or simply having to live with the fiscal realities of the day."

I think that causes me a bit of concern because, taken one step further, if that is the sort of reception the minister gets when talking to AMO or when talking to his provincial counterparts before the federal government, it may also, I think, which is the second theme, be the kind of reaction he gets at the cabinet table.

That has not always been the case. I think it was very clear at the beginning of this government's mandate that social issues and the reform and the commitment thereto were rather high on Bob Rae's agenda, Bob Rae's vision for Ontario. I think that many people, as a result, came to the table, particularly municipalities, with a belief that the social democratic conscience would translate itself to substantive reforms.

I honestly have to say, Minister, with the exception of reconfiguring day care services in this province and the careful avoidance of talking about actual numbers instead of target numbers—every number you gave us was target; I suspect we will explore that in a little more detail—in my view, that is the substantive reform of the Bob Rae government in the last four years.

I won't get into the ideological debate around that. I'd rather specifically look at the most significant and important outcomes to analyse the issue of child care, and that is, how many additional children have we been able to serve in this province and have we done it in a fiscally responsible manner? I think that ultimately has to be the measure in which all three political parties should be viewing that issue.

The third theme that I saw running through this was what I didn't see running through your opening commentary. I was concerned that, given 40 pages of text, we would have had an opportunity for you to have mentioned a few other areas. Certainly, there were enough pages to do that, and this committee would have indulged you additional time in order to do that.

But there was no clear reference to or update of the relationships with AMO in terms of substantive reforms

in terms of municipal social service infrastructure restructuring. There was no direct reference to children's aid funding, which was of concern to me, or the declining exceptional circumstances review funding. Life in the GTA and in other sectors of this province creates enormous challenges for children's aid societies, and the atypical children's aid society is reducing access to service in order to respond to the reduction of this time-honoured funding vehicle of a provincial government to ensure that the safety net for children is secure and captures as many if not all of those who from time to time slip through the net.

1100

I was concerned there was no direct reference to children's mental health services. For us as legislators now simply to be referring to this new phraseology of "children at risk" without—we have to be careful doing that. I think we have a right to be very specific because children's needs in this province are very specific and programs are very specific and the number of children on waiting lists for children's mental health services are rather acute.

As several members of this estimates committee have had the Minister of Health before us, we were exposed to case after case where paediatric mental health programs were being cut in hospitals. There was this triministry game that goes on, and it's been going on for a long time, Minister, between Health and Education and Comsoc with its very direct responsibilities for children's services, where we're not getting a ministry reacting to another ministry's cutting off the service.

I give the classic example that I have in my own community in speech-language pathology services, where the hospital just killed the program, threw 120 children under the age of five out into the community. The person who was laid off at the hospital on the Friday had her shingle out on Monday at \$75 an hour and the school board coterminously withdrew its support of preschool supports for these children.

The universal response was, "We can't find a ministry to take responsibility." But we have been studying it for two years and I certainly hope that you would, even if not for those children and families that are considering social assistance as their only access to speech-language services, which is a really stupid way for people to try and access a service, simply because the costs of meeting the legitimate needs of their children can only be met without bankrupting the family.

This argument, as you know, comes up on the Ontario drug benefit program, which you also didn't mention. That was an area of reform for the working poor in our province and it failed to somehow receive any mention.

There was no mention of two initiatives from within your own caucus, and that concerns me because I'm almost afraid to think I'm a bigger fan of these reforms than you are as the minister. I fully support your two colleagues, one seeking legislative entrenchment of professional accreditation for social workers in this province, and the adoption reform my colleague in the Liberal caucus has already referred to. We enthusiastically embrace these private members' bills.

We limited our public criticisms that these were not the priorities of your government. At least you're consistent, because they weren't even a priority to receive a side-bar mention in your opening comments. However, I continue to support the two members of your caucus who still believe in those initiatives and I had hoped that we would have had, quite frankly, some political lipservice at best for a member of your own caucus. But again of concern to me is that we could have seen more identification.

I have three or four other items that I didn't hear about, but I would like to address rather directly some of your opening comments now that you did include, for the benefit of assisting us through the next two days in our hearings.

I was concerned that you made references to your reduction in staff complement without making it abundantly clear to many of us in the know that much of the transfer and reduction came as a result of transferring the homes for the aged under Bill 101, responsibilities that have kicked in in your ministry, the reassignments under long-term care, and as a side request—make this my first request—we would traditionally always ask for the number of contract positions currently that are not included in that, and for that to be a relevant number, to show them over the last three years, so if we could get a more fulsome explanation of your decline. I'm led to believe there haven't been the layoffs, just the transfers. I think it would be fairer and more helpful if we could get what I suspect is the real truth of those numbers.

You talked about social assistance reform, using the word "irregularities" when you were careful not to use the word "fraud." Now I know the word "fraud" has come out of your mouth. I know you've uttered it at least once or twice while you've been the minister. Many of us know it exists and many of us get routine reports from municipalities about the extent of it. I suspected that when you promised before the public accounts committee and in the House that we would get some actual numbers on that, that would be forthcoming during the course of these estimates as well.

You made a reference about the refugee claimants and the cutting of support. I recall, in joining you in the House, much to the confusion of everybody, with a bit of understanding for the difficult nature in which your government was placed when the federal government made that decision, I was not critical of that outcome. I'm concerned about the manner in which you've conveyed it here in this report. Has there been a change in attitude that this was a welcome tightening up of the system or that it was an unwelcome tightening up of the system? It doesn't seem to square with the manner in which you've conveyed it on the floor of the Legislature, because what's at the root of that is how your government quite clearly defines the appropriate role of social assistance and the scope of social assistance for this province. Maybe we can have some time to discuss that, Minister.

On page 18 you referred to the three reports, which I appreciate your mentioning, and then you indicate that they are being implemented. May I make my third

request for information an update? There is an old one, because this is a traditional request of mine. Your predecessor, Ms Boyd, and the appropriate staff prepared a report on which recommendations were being implemented. If you could dust that one off and update it for us, I think it would be extremely helpful for us to measure the power of your commentary that they were being implemented. That would be helpful for us to be made aware.

I certainly would like within that, once that document arrives, to discuss the issue of young persons on social assistance who are attending school. My colleague the member for Wellington has raised it and I have raised it with you, and there has been some disturbing news coming out of the Niagara Peninsula of an alderman down there who happens to also be a school teacher who has been doing some independent analysis in his own jurisdiction. Council has been reacting to this document, and hopefully we'll have time during estimates in which, Minister, you can share with us how that issue is being dealt with.

You mentioned child care, and again dealing in gross numbers and spaces, but I understand that we're showing a rather huge increase for the capital commitment. So I think to be fair, with the thousands of vacant spaces in Ontario—and again, regardless of auspice; this has nothing to do with private sector and not-for-profit, but the government has the right to use the Jobs Ontario job creation to build facility infrastructure. But when there are thousands of built spaces in Ontario, perhaps you could have built two more women's shelters for the same money with which you are going to build four or five day care centres.

Clearly, when I look at page 109 of the estimates, the violence-against-women entry, these people have received a slap in the face with a reduction of over \$1,026,000, and yet we've got all sorts of bricks and mortar for, frankly, in many cases, redundant space for child care initiatives. The very fact that we may have all sorts of choice for a battered mother, for her child, but she only has 24 days in which she can find safety and security in a shelter before she's shown the front door in my view means perhaps somebody's paid a little less attention to this appropriately necessary social planning of the continuum of service for families in conflict and families who are victimized by violence, how their services are rendered.

1110

Frankly, with the references to municipalities bailing out, we could spend a considerable amount of time—and I'm not watching the clock so I don't know how much time I'm going to have left—about municipalities who sat down with David Cooke, who sat down with the Ron Book commission, various subcommittees of AMO, who have been looking at ways of streamlining delivery systems so that we can embrace shelters as an essential service in this province and not put them to the uncertain and subjective funding base to which they are now applied. Either we deem it to be an essential service and either your government believes it's an essential service and therefore we shouldn't be arguing with any level of

government, we should be trading off, as it were—as the committee to look at municipal social service relationships, we should have been looking at making these essential services fully accountable to a funding base from some level of government so that the essential service is in place.

That has not happened, and therefore the most significant statement is, "What are we doing about it?" rather than simply to lament that the municipalities are doing to shelters what they were doing to day care subsidized spaces when they said, "We can't even afford our 25 cents on the dollar, so you pay 100-cent dollars."

Before I leave the child care, my fourth and fifth questions have to do with an update on the conversions by location. Again, I've made this request in the past and I've seen the initial conversion list. Keith Baird got me a copy of it. But could we get that updated? In a longitudinal exposé of that, you indicate conversions by 1996-97, so I understand that you've got a whack of day care centres that have signed off and are converted, there are those that have signed off on a schedule to be converted, and there are those who have simply signed off and are in limbo. So I would certainly like to know all the bytes of information here with respect to the location and community, number of spaces, number of spaces subsidy, and which of those three statuses it's in and which are now fully brought over with a non-profit board etc.

I would like to ask the minister as well how many child care centres are experiencing difficulties, and again, how much of the millions of additional dollars you're pumping in are going into existing day care centres that are in financial difficulty. Marion Boyd, your predecessor, gave me a list at one point that showed that as many as 98 were in serious deficit and that rather than see them close their doors at the alarming rate they were doing in 1991-92 and the very early part of 1993, there were substantive bailouts. Certainly, I think it would be fair to share with this committee how many of those bailouts are continuing and to what extent the ministry's plans to assist the non-profit boards with some management skills and some people skills to ensure that the boards function more effectively—to what degree that program has been successful to mitigate some of those early problems of expansion.

I would commend you for your response to the crown wards and I want to thank you for a letter that you got to me, timely, prior to the hearings today with respect to the correlation between young offenders and crown wards, an issue which has unfortunately surfaced in the media.

I want to commend you for your child nutrition program. I listened carefully to your words. I get a strong sense that the \$1 million hasn't even nearly been spent, but we are building an infrastructure here and an advisory group and some staff positions and an information network. Perhaps you could enlighten us as to any pilots that have actually—let me put it to you in absolute terms. Is any of this \$1 million finding its way into the classrooms of our schools at this early juncture? That's not to say, Minister, that a program can be announced on Monday and by Friday it's found its way into our schools. I know

that. But this was announced some time ago, and so if you would share with us who's in charge of the project, how far it's evolved, how much of the \$1 million is being allocated.

As I say, I've developed these nutritional programs in my own community with very, very limited resources, using bingo money and all sorts of innovations. We're getting a lot of programs started and we're now expanding that into women's alcohol treatment centres and into shelters, I must admit, but we're taking community resources and applying them to people in need. So it strikes me that if we're able to succeed just as a small community of Burlington, the ministry could be implementing in a much more timely fashion.

I've made my concerns known to you about family violence, and again the reference to the cuts or the reduction in that money. What I suspect is that the shortfall to family violence initiatives, as contained on page 109, is a smaller amount of money than the money spent on television and print media advertising the fact that family violence is a social ill. Although I support awareness, I think we've moved beyond the issue of awareness and we really have to talk about front-line delivery and early intervention for those children who are at risk.

For those reasons, those are some of the issues that I hope to raise in a little more detail with you. I do want to deal with several issues which were not contained in your opening commentary and, as always, I would appreciate being given the hard statistics which can assist us to determine where the areas of reform could best be targeted.

Minister, you have an immense responsibility to manage probably the most important ministry in government by virtue of you being there to address the most vulnerable in society. You will always have the support of Parliament if we can be satisfied that the kinds of initiatives of your government are being developed and they are client-centred, that in fact we're getting value for our dollars and that those moneys are being directly put into programs for our needy in the community. So to that end, Minister, I welcome you to estimates. I look forward to the next two full days and I look forward to your response and then more lively exchanges during the questioning period. Thank you very much.

1120

The Acting Chair: As I understand the procedure, there have been a number of questions and comments that have been raised by both opposition parties and, Mr Minister, you have up to half an hour in terms of a reply.

Hon Mr Sliipo: What I will do is try to provide some overall response. I'm sure that both of my critics would prefer that we get into some of these areas in greater detail one by one, so perhaps I will limit my comments at this point to just picking up on some of the points that they addressed.

First of all, I obviously appreciate very much the comments, recognition of some of the good things that we've done. I want to start perhaps with that issue of whether what we've done matches everyone's expectations, in-

cluding those of us in the room, or how we explain and justify that we haven't done more and how we keep balancing what we've done and our views about what we've done with what we haven't managed to do.

I think we have to be, and I've tried to be, very practical about this, which is to say that I don't see any shame or problem with on the one hand identifying what it is that we would like to do, and on the other hand being clear about what we have done and what remains to be done and explaining to the best of our ability why we haven't managed to do some of those things.

I think we can look at the budget of this ministry in many ways, but one of the ways in which we can look at it is to indicate that when you look at just how much more money we are spending and where that money is being spent than we were spending a number of years ago, particularly if you compare this year's figures with those of three or four years ago, I don't know how anyone could come to any conclusion other than the fact that we have continued, very seriously, our commitment to people, whether that's in social assistance, in child care, in developmental services and so on and so forth.

We have responded, through those additional dollars, to those very real additional needs that have come to the fore in a very significant way during this recession. So I think it's a question of where, I suppose, we want to leave the balance and where we want to lean on, whether it's on what we haven't yet done or on how much we've actually managed to do. I think the only way in which we can deal appropriately with that balance is by, in effect, talking clearly about both pieces.

I appreciate very much the reminders from my two critics about what I didn't mention. Let me just say that what I tried to do in my opening statement is to indicate some of the broad directions and accomplishments that we have been involved in. I certainly see, as we go through the discussion, that we'll have an opportunity to talk about all of the issues that were raised, even ones that I didn't raise and that my critics did. Certainly my own commitment and I think that of our caucus on such issues as the adoption reform, for example, is still there. I look forward to the discussion on that issue and many of the others. One of the other particular ones that was raised was the children's services area, the expenditure control plan measures and the exceptional circumstances review. Again, I hope that we can get into some of those areas in more detail.

Our efforts in that area have been, as in all other areas, to try to get a much greater involvement by agencies, by users of the system, in coming to grips with the fiscal realities, not as a way to simply claw money out of the system but as a way to say, if we don't have all of the money that we would like to have, how can we be making sure that the money that we are spending, we are spending in the most effective manner?

Even, for example, in our efforts on the children's expenditure control plan measures, we have shown our understanding of the difficulties that children's agencies have been going through by reducing the initial reduction to about half of it for this current year and indicating to agencies that we want to work very hard with them to

identify ways of meeting those targets.

Let me just say on the issue of social assistance, which obviously continues to be the largest area of expenditure of this ministry, that again our efforts have been to continue to balance very much the supports that we need to put into the system in a more significant way, building on many of the things. I'll be happy to get into detail on some of those areas to be able to show what specific steps we are taking as we go through the votes, but let me say that our efforts have been to balance those efforts to put into place better supports for people who want to exit the system with the fact that we need to be better managing a system that has been growing at a tremendous pace over the last three years in particular and that within that—I think I used the word “abuse.” One could use the word “fraud,” or any other word, as Mr Jackson has indicated—

Mr Jackson: Irregularity.

Hon Mr Silipo: The irregularities. I think any of those are good synonyms, but they all mean the same thing, which is that we have a responsibility to also ensure that the system is well run and as free of abuse, fraud, as we can make it. That is also part of our responsibility, and again we'll be able to share, I think, some initial results of those steps.

One of the points that I would like to just touch on again as we go through the specific numbers—we can perhaps answer those concerns in greater detail, but I think that it's understandable, because I've asked and gone through this same process. When we look at what we are saying and seeing now is happening in the area of social assistance in terms of reductions in case loads, and compare that with the numbers that are in the estimates, one asks why then we are projecting to spend more. It's a very logical question, and I think again we can account very clearly for each of those.

The first is that what we are seeing now is first of all better than the projections that are in the estimates, so there will be some savings over the those numbers that are in the estimates book. We are now working through the numbers to see exactly how much of an additional saving that will result in.

Secondly, we know that of the increases, of the remaining amounts of the increases, we can point to large amounts of those, as I mentioned in my opening comments, being attributable to actions which the federal government has taken around the unemployment insurance provisions, accounting for over \$100 million of those additional costs. Again, we can break those down in greater detail.

Some of the additional costs are in fact the initial costs of reforming the system through the additional costs of JobLink and the additional costs of other changes that we are making to the system. So those are all accounted within the additional costs that show up in the estimates book against the figures from last year.

I could go through a number of other points and respond in a general way, but I think what I would prefer to do is to take advantage of the process that's available here in the committee and in fact allow us to get right

into the areas that I'm sure people want to talk about in greater detail so that we can give fuller answers to the questions that people undoubtedly want to raise and deal with a number of the other points that were raised by my two critics as we do that.

The Acting Chair: Thank you, Mr Minister. Then to take advantage of the process, as I understand the process now, we split the time in rotation. Is 20 minutes satisfactory to the various parties?

Mrs O'Neill: Are you suggesting, Mr Chairman, we'll take it in 20-minute blocks in rotation?

The Acting Chair: Yes, if that's acceptable.

Mrs O'Neill: And are you suggesting 20 minutes on each vote or 20 minutes as long as we want to stay on a vote?

Interjection.

Mrs O'Neill: That sounds fine with me, then.

The Acting Chair: Is that okay?

Mr Jackson: Why don't we just stack the votes?

Mrs O'Neill: Okay, that's a good idea. Let's do it that way.

The Acting Chair: Then it's over to the Liberal Party.

Mrs O'Neill: Well, I think I'll begin at the beginning. I just wanted to go, if I may, to the organizational charge of the ministry. I wanted to ask a question about one area there, the director of social assistance and the director of JobLink, because as we know at the moment, the only reform, or the only part of the reform, is JobLink. Is that position being held, or what's being done in that position, the one that isn't connected with JobLink?

Hon Mr Silipo: Again, perhaps just as a way of proceeding, I will say that I will try to the extent that I can to answer what I'm sure will be very detailed questions as we go through the process, and I will rely on Deputy Minister Rosemary Proctor, who is with me, and other members of the officials to assist in that process.

1130

This chart I think is at this point still in effect, although we are looking at some of those particular responsibilities. There are, in addition to the JobLink initiatives, as I outlined in my opening statement, other pieces of the reform initiatives that are continuing. We are looking, for example, at what we can do with respect to some consolidation on a voluntary basis of general welfare assistance. We are looking at, obviously, our continuing efforts with the federal government. We have significant pieces of changes that we are making, as was noted earlier, with the case work technology. So all of those pieces at this point in time still warrant those positions being in the system.

Ms Rosemary Proctor: Just to add a brief point to that, in terms of the April 1994 organizational chart that is in the estimates book, because we are doing many other things but we're concentrating on the JobLink part of the reform, at this point the work is being handled in two main areas; one is the JobLink program area, and the second is the social assistance program area, where a lot of the other work on the reform is also going on. So

that's a change from the way we have it listed in this book.

Mrs O'Neill: I suppose they can be considered hopeful if the position remains. I just hope that you still have Back on Track and Time for Action on your desk, as I have them on mine, and that you review their recommendations regularly, because I think that's what people expect. They don't want us to reinvent that wheel.

The first vote, 701, of course goes over several pages, and my first concern is one that's come to the House several times, and that is the Social Assistance Review Board. So I guess it's introduced on page 7, but I think it's actually talked about more on page 24, and I would really like to go to that page. Actually, that was my last question to you in the House as the session closed, as you know, on this particular area of your operation.

The figures that appear on page 24 are very confusing. Every one of the figures seems to be confusing to me, particularly if you're suggesting improvement in appeals and in the appeals process, because I presume this is what you're talking about. This is the most significant of the appeals in your ministry that I know of in this area. "Requests for hearings" look like they're going up significantly. "Hearings held" look like they're going down. "Appeals closed without a hearing" are going up, and I don't know how you're projecting that, whether there's a new process of mediation or whatever else you may use there. "Interim assistance requests processed" are going up.

So these figures do not project, to me, that either the system is improving or you expect it to improve, the municipalities and all of their concerns surrounding this whole area of operation are being heard or that we're going to make it more effective. The whole thing looks very discouraging to me, and this is kind of key to the way we administer the system.

Hon Mr Silipo: Let me start in replying, and I think that our ADM responsible, Kevin Costante, may want to add some comments to this, and if need be we also have the chair of SARB available—not here in the room. But if you feel that you want some more specific information, she can also be asked to attend during the course of these estimates to provide more information.

Essentially, what the figures I think indicate is that there is a problem with increased demand on the Social Assistance Review Board. That has come about both as just a natural result of the increase in the case load and I think, to be fair, also as a result of changes that we've made to eligibility requirements, which have resulted in additional appeals.

Mrs O'Neill: Actually, the expenditure control plan helped it.

Hon Mr Silipo: That's right.

Mrs O'Neill: Helped or hindered.

Hon Mr Silipo: What we have been doing to assist the board in coping with that is that, first of all, the board itself, I have to say, has done a significant amount of work to try to handle the hearings better. Those figures in the 1994-95 forecast I think tell some of that story in terms of some of the pre-hearing approaches that they are

putting into the system and have put into the system which they believe—in fact I think can demonstrate from the work that they've done so far—actually result in fewer hearings having to be looked at proportionally to what was the case before. So there is a whole process going on that looks at how that whole system can be better managed, and I think that the Social Assistance Review Board has done a relatively good job on that front.

The other way that we are trying to be of help to them is by recognizing that in effect there is a significant increase in case load here and that this also can only be truly addressed with some additional help, both in terms of filling the complement of members of the board, which we have been working hard to do and we are now only about three members short of the full complement of SARB members, as well as providing them some additional support staff to again help in the kind of process that I've described. That is also going to pay its dividends in terms of the ability of the board to look at that.

The other is by looking at a closer relationship, in an administrative sense, between the board and our ministry. That is to say that if we have, for example, as we do, a number of very similar cases that are before the board, part of what we are trying to work out in a more systematic way with the board as a way of handling both those individual cases and the overall case load problem is to say that there ought to be ways in which we can address those cases, so the board can address those cases in a way that certainly balances the right of every individual to have their appeal heard but also in a way that if we see that very similar case situations or identical case situations are determined by the board after a number of hearings in a particular way, then we have an obligation as a ministry to take a look at those and either make some changes administratively that rectify those issues, and thus remove hopefully a number of cases from the board's workload, or decide, if we don't agree with the decisions of the board, to appeal and then deal with the issues in that way.

I think there has been certainly a much better relationship struck between the board and our ministry on the whole array of those issues in approaching these problems in that way, which I think is making an improvement, and I think that we're seeing some of those. But again, the numbers are significant because there have been those increases for the two reasons that I've given.

Mr Kevin Costante: May we just provide one piece of information?

The Acting Chair (Mr Murray J. Elston): Identify yourself, please, for the record.

Mr Costante: My name is Kevin Costante. I'm the assistant deputy minister of social assistance and employment opportunities.

I think you had asked or were curious about the number of appeals closed without a hearing. This is a number that is a compendium of things, I guess, where there are a lot of cases that are settled before the actual appeal is heard, the appellant withdraws before it goes to the board or doesn't show up.

I think the other piece would be where the board has made a decision on a similar case and then the other cases may get withdrawn because there's no sense continuing with the appeal given that we know the direction the board is going. It's all those things that are settled before an actual formal hearing has taken place.

Mrs O'Neill: It just seems that it looked like you were going to double that number, and I wondered if you were going to use some new interventions. I do feel that the Social Assistance Review Board's annual report is quite helpful to clustering where problems lie, and I'm hoping that you will see that. You seemed to indicate you are studying that. I hope so.

I just don't know whether these figures are going to be able to be met with the resources you've suggested, because it's almost a two-thirds increase in hearings; the number of appeals being closed without a hearing is almost double. I don't know how all of that will relate as it plays out.

Then you've got a whole lot of people who are in training, who cannot hear cases alone. This to me is still a very uncertain area and, as we know, it can become a very costly boondoggle. That's what concerns me about this particular area of the operation.

Again, prevention—and maybe we have begun a prevention scheme with your suggestions of increasing membership and resources—but I really hope that you, as minister, will see this: This causes a lot of problems and misunderstandings on both sides, and it certainly gets the ire of case workers up and also the municipalities. So I think that's an area that really needs strong attention.

1140

If I may go to page 9 now, this is the overview of the ministry's operations as you know them. As I indicated in my opening remarks, I found it very confusing as I went through each of the votes to see that the employee benefits in most cases were much larger than the projection. There has to be an explanation of that trend, and I'm wondering what you're offering as an explanation.

Hon Mr Silipo: I think I'll ask the deputy to address that.

Ms Proctor: I think the situation can be explained, because that will show up right through the program budget as well as in the ministry's summary on this page, in that the actual costs associated with the benefits for a whole range of things, for everything from the insurance payments to other aspects of the benefit package, have gone up over the last number of years and the ministry has not been allocated additional resources with which to fund those new costs.

So what you see here are some shortfalls associated with that this year. We continue to work on how we can bring our general direct operating costs down so that we can redress that problem, but there are costs simply that we were not allocated new resources to provide for, and so we've shown some overexpenditure last year in those lines.

Mrs O'Neill: Well, it's very confusing, and it's certainly confusing to explain to the general public, when we're talking about social contracts, 800 fewer employees

and employee benefits—I don't know where they're at now. What are they, 10% or 12% of the net expenditure for employees? I just find that whole package still very confusing, and I'm wondering if there are severance packages involved in there. Are there adjustment programs in that? I mean, you said insurance; you gave one single explanation. Don't forget that your agencies are also suffering from those same increases, and that's what they're talking to me about. So to have the ministry show this as a trend, and an acceptable trend—it's a 20% increase and \$1 million more than you projected. That's an awful lot of money. So can we get any more on that?

Ms Proctor: A number of other issues that are in those numbers include the fact that, yes, there are severance payments in particular for a large factor 80 takeup in the previous fiscal year. So that was a labour adjustment cost.

Mrs O'Neill: Do you have any numbers on that?

Ms Proctor: We can provide you some additional—

Mrs O'Neill: I think that would be very important.

Ms Proctor: —and then also increases in UI, and we can provide you some additional numbers with respect to that.

Mrs O'Neill: Okay, and what about adjustment packages?

Ms Proctor: We can put that into the package overall.

Mrs O'Neill: Now, also on page 9, the services, does that word "services" mean direct service?

Ms Proctor: That's contract services and anything that we purchase as a service.

Mr Jackson: Are those contract salaries?

Ms Proctor: Not direct salaries of staff.

Mrs O'Neill: Okay, so, again, you had a very much underbudget estimate there. Can you tell us a little bit of why that would be so much over budget?

Ms Proctor: You mean, why that has gone up?

Mrs O'Neill: Well, I'm looking at the actual and the estimates for 1993-94. Those are the figures I'm looking at.

Ms Proctor: I'm sorry, I'm not really clear on which one we're looking at.

Mrs O'Neill: Page 9.

Ms Proctor: Yes.

Mrs O'Neill: We're talking about services.

Ms Proctor: The fact that the change has gone up from 1993-94 to 1994-95.

Mrs O'Neill: Well, I don't want to talk about the 1994-95 figures, because they're estimates. That's what I find very difficult about this whole package, that the whole emphasis on this package is estimates. I know this is the estimates committee, but the actuals are really quite important. I find the actuals, in reference to the estimates of 1993-94 in that area of services—you know, it's the \$1.5 million difference. That's kind of a lot of money.

Ms Proctor: I'm going to need to follow up and provide a specific answer on that because most of the numbers are lower, so our overall picture wasn't the same. I can get you further information on that one.

Mrs O'Neill: Okay, that's fine. Now, if I could go to the human resources section, which is page 15. Again, I'm looking at the actuals, and some of this I guess you're telling me is severance packages and the costs of redeployment.

Ms Proctor: Yes, some of it is redeployment costs that were not reimbursed and some of it is realignments within the ministry—and benefits packages, that's correct.

Mrs O'Neill: I don't know whether this is the exact category of budget this would fall under, but when you've got recoveries from other ministries, we were told in December when we were talking about the changes and Bill 50, which was, as you know, the expenditure control plan of the Ministry of Health, that there would be some recoveries and that the ministries would be able to collect from each other. Are those negotiations going on? Where are we at with that third-party payment scheme between ministries with one ministry no longer picking up all the costs from the other ministry regarding mandatory testing or medicals or physicals? Where are we with that?

Ms Proctor: That's an issue that doesn't show up in the current estimates. The development of the policy with respect to charges for mandatory third-party testing or requirements in that area is still being discussed with the Ministry of Health with respect to what kind of an approach would be used and so forth. So that isn't something that shows up in the current-year estimates but is under some general discussion. I'm looking to see if there's any further detail.

Mrs O'Neill: I think it should be more than general discussion if you realize how it's affecting the agencies. The agencies have got social contract, expenditure control, third-party agreement and then all of the increases that you're suffering with the increased benefit packages. Those are really limiting what they can do for their clients and that must be being brought to your attention as it is to mine.

Ms Proctor: I would like to ask Sue Herbert, who's our ADM for program management, to speak to that area as well.

Mrs Sue Herbert: Sue Herbert, the ADM for program management. Just to add to what the deputy said, we are trying at this point to identify all of the costs for our own ministry, the implications for our own ministry and our own direct services and also for our agencies. We've had some discussion with our provincial associations around that and we are in the process of discussions with the Ministry of Health right now.

Mrs O'Neill: I really think that your ministry in particular needs to take a high profile in those discussions because the agencies just don't have a lot of latitude in that whole area.

I guess if I go to the next one, 23, the information systems, I'm just wondering if you could give us an update of where you're at with that. If I look at services and I look at an over 1,000% increase, can you tell us a little bit about where you're at, and I'm wondering where the municipalities are at. Are they cooperating fully? I presume it's to their advantage. I'm glad you have the

pilot project in Metro. Those agencies in the feds that you have the compatibility with, are you thinking of other parts of the federal government operation that you could move into? There doesn't seem to be an awful lot, for instance, in with the immigrants and the Department of Human Resources Development, which I think includes that now. Could you say a little bit about where you're at with the actual implementation? You seem to be putting an awful lot of resources—I mean, we're talking \$12 million, up from \$3 million. Where are we with all of that?

1150

The Acting Chair: May I just interrupt? We're right at the end of the 20 minutes. You may want to take those under advisement and be ready with some answers at the beginning of the next session with the Liberals.

Mrs O'Neill: Okay, that's fine with me.

Mr Jim Wiseman (Durham West): Could I just make a suggestion? Since there's 10 minutes, you might want to let her finish for half an hour and let Mr Jackson go for half an hour this afternoon.

Mr Jackson: Half-hour modules are probably better anyway. Then we've got more notice.

The Acting Chair: How does the committee feel?

Mr Wiseman: We have no problem with that.

Mr Jackson: That was a good question. It saved me asking it this afternoon.

The Acting Chair: Okay. Let's do the half-hour modules then. I'm prepared to accept that if the committee's okaying it.

Mr Jackson: Thank you, Mr Chairman.

Mrs O'Neill: So we're going to go for this one right now?

Hon Mr Silipo: We'll do that right now.

Mrs O'Neill: Can you talk in pretty specific time lines or specific issues?

Hon Mr Silipo: Yes, again, I'll rely on our officials to give you more precise dates, but the overall increase here in the dollars relates to the case worker technology project; that's the big change in the expenditures. That, as I mentioned in my opening comments, is something that we expect to see implemented in about 30 communities across the province by the end of this calendar year and then to continue the work over the next couple of years to implement fully throughout the province.

We estimate it will take three years, I believe, for full implementation, if memory serves me correctly. Obviously it is going to give us an opportunity to both better manage the system as well as divert some of our resources and attention of the people who work in the system to working more with people around helping them to be able to exit the system in a more consistent fashion. We can provide, if you wish, Mrs O'Neill, some further details of specifically what we are doing in that area.

In terms of the agreements with both the federal government and other provinces, we are well on our way in terms of an initial agreement with the immigration authorities in Ottawa; there's something that's virtually ready to be signed there. There's some more work that's

going to be done with them and with other of the federal counterparts. We also have been and are, I hope still are, with yesterday's election in Quebec, very close to an agreement being signed with the province of Quebec in terms of information-sharing between those two provinces and we have made some initial progress with respect to other provinces.

Mrs O'Neill: I suppose the rumour in the Ottawa-Carleton area is that it's the Ontario government that's dragging its feet and that the Quebec system is much more improved, much more accurate. I don't know how authentic that criticism is, but it's certainly what I'm hearing at home.

I want to make one other comment about the 30 communities. We have over 800 municipalities. Are these the 30 largest communities? Will it then be done on a county and township basis? How do you expect to implement this in three years? What kind of subsidizations are the municipalities getting? Are they getting any to hook into this much more sophisticated system than many of them have, or do they have to budget for that themselves?

Hon Mr Silipo: This is money that we are putting into the system. Perhaps what we'll do is ask one of our ADMs to take you through this in much more detail, but the initial communities include the larger communities across the province and we will see a significant increase in our capacity across the province to use technology in a more systematic way to run the system so that we can eliminate a lot of the paperwork that just means that we're not providing the level of service that we can.

Ms Proctor: I think we could also get Lynn in this afternoon to speak more to it, but as Tony is saying, the substantive thing here is a substantial increase in the technology that would be available. The first site and a lot of the development work has been done through Metro Toronto and its leadership has been very much appreciated in the whole area. So that's the first test site, our Metro offices and Toronto area offices.

We're, I think, ready to start Brantford in the fall and then there are a number of other sites that are under discussion. So we are starting with some of the larger sites and would plan to carry that out through the province. There have been a lot of conversations. There's an advisory group with the municipalities. There are a lot of participation and involvement there as well and very close and collaborative work. This will take a lot of cooperation among everyone and hard work in terms of design and implementation.

We're talking a major shift in really moving from a paper-driven system to a much more automated system which carries with it many benefits for workers in terms of how they can use their time and how they can use their time more effectively with clients rather than having to fill out so many forms, but also it means real changes in processes and so forth. So that piece of it needs to be thought about as well. But I'm hopeful we'll begin as well to address the work quality for front-line workers in the system, whether they're provincial or municipal.

Mrs O'Neill: If I may look at page 17, to the Canada pension plan, the UIC and the workers' compensation we can add refugees and immigration. I would think that if

those were really key places that you're working on you'd have put them in your remarks.

Ms Proctor: That is in the whole question of agreements, and I think Kevin Costante—

Mrs O'Neill: The interface with the feds is very important, and I'd like to know exactly where we're at with it.

Mr Costante: We are currently working with them on agreements on immigration and on the issue of UIC. We're also working on Canada pension plan. As well, we are working on an agreement with Quebec and the western provinces. We have opened up discussions with them on information-sharing agreements and the data that can be shared. Of course, we have to be very conscious of the freedom of information aspects, both their particular legislation and our particular legislation. So those pieces of work are under way.

Those are likely our highest priorities. Behind that, we have a whole list of others that we would also like to pursue; things like looking at the registrar general for births and deaths and having that automatically into our system; the Atlantic provinces as well. Sorry, I don't have the complete list with me, but there are a number of other agreements that we will pursue once we get these initial key ones with the federal government and our neighbouring provinces.

Mrs O'Neill: Are you working with corrections at all, the court systems?

Mr Costante: No, we're not. We're working with Housing on the rent registry; that's another one that we're actively pursuing.

Mrs O'Neill: The community colleges regarding student registration?

Mr Costante: We will likely be hooking into the community colleges because we are also negotiating with the federal government as part of our JobLink initiative for an employment system which we will need to complement the JobLink program. I think when we do that, there will have to be some hookup with the community colleges and the people who will provide the training spaces. That may occur through OTAB because OTAB is the organization that will actually be procuring it. How we, OTAB and the trainers will get hooked up, I can't say I have detail on that.

Mrs O'Neill: Are you doing anything with the municipalities regarding the public housing aspect? Landlord-tenant agreements and that kind of thing, I guess is my final piece on that, because it does seem to also tie in regarding eligibility.

Hon Mr Silipo: Are you talking now on the issue of the technology or just—

Mrs O'Neill: Technology. Where are you with the housing authorities?

Mr Costante: I would have to ask. I don't think at this stage we're talking with the housing authorities on that.

Mrs O'Neill: Okay. That may be another area to examine.

The Acting Chair: Thank you, Mrs O'Neill. We have

reached 12 o'clock and when we come back at 2 we will begin with Cam and his questions.

The committee recessed from 1159 to 1408.

The Acting Chair (Mr David Johnson): We'll bring the meeting to order. I understand we're now using half-hour question segments.

Mr Paul Klopp (Huron): Thirty minutes.

The Acting Chair: That's very adept of you. Mr Jackson, it's over to you.

Mr Jackson: I want to follow along on some of the questions that my colleague Ms O'Neill had raised. She raised the issue of benefits packages and the sort of ballooning of that, and I wanted to ask if in fact the government had implemented any additional benefits packages.

Not for this to cause any form of debate or controversy, I just wanted to ask the question if your ministry has the practice now of paying benefits for same-sex couples, or is that something that will be done through the negotiated process? I'm hearing some organizations in the social service community are providing these services, which is their right in a free society, to extend benefits to whomever they wish. I'm just wondering if that is something that occurred.

It's not the kind of thing I suspect your government would go out and call a press conference over, but it doesn't mean you're not considering or have done it. You don't necessarily need legislation to do it. I don't wish to make that a debate. I just wanted to know if in fact this ministry was doing it or considering it, that's all.

Hon Mr Silipo: We're not considering anything outside of what the rest of the government has been doing, which is, as you know—in fact, back I believe in 1991, through Management Board, we made as a government some changes to our policies as employer related to our policy as employer around, I believe, pension entitlements and some other general benefits. Whatever we are doing as a ministry, subject to any other details that any of our officials might have, would be consistent and the same as what is being done by other ministries. There's nothing particularly unusual.

Mr Jackson: So are you or aren't you, to your knowledge?

Hon Mr Silipo: We would be only as a result of that directive of the government back in 1991, but, as I say, I think that dealt with essentially the pension eligibility, if I recall.

Mr Jackson: I understand the consistency. I just wanted to know if in fact that is a benefit that we're extending to the employees of the government. I've never asked the question and I honestly don't know the answer. I'm asking because I just wondered if that was inside or outside and if the implementation date was—it was only triggered by Ms O'Neill saying benefits packages have gone up.

Hon Mr Silipo: Whether or not the benefit packages have gone up, that wouldn't be a factor in that equation. But again, perhaps—I don't know if—

Mr Jackson: Is there somebody from human

resources? Are we paying that benefit, yes or no?

Ms Lynn MacDonald: No, we're not.

Mr Jackson: We're not. Okay. So that memo from 1991 doesn't go that far?

Hon Mr Silipo: No, it just deals essentially with entitlement to pension benefits.

Mr Jackson: Okay. It's just something that Ms O'Neill had raised and that caused me to ask it another way.

If I could go back to the Social Assistance Review Board and just if we could examine that in a little more detail, I wanted to ask the minister or the appropriate staff. We have the statistics, which are on page 24, I believe, which are alarming, depending on how you read them. But also last week, as a member of the government agencies review committee, we had the occasion to interview the new vice-chair of the Social Assistance Review Board, who herself was a legal aid lawyer who had been assigned to the Social Assistance Review Board.

She enlightened the committee on several points with respect to the placement of legal aid services as a permanent service at the review board process and that in fact she had successfully interceded in appeals and caused sufficient postponements to then refer these people for further legal aid advice and referred them to the various clinics, much of which dealt with immigration matters and subsequent immigration appeals, refugee claimants and landed immigrant questions. She went on to indicate that this was considered the norm as the practice and that in fact it had resulted in about a 50% reversal of decisions. So there were the two elements of this policy or strategy which caused a delay of the appeal and subsequently a reversal of the original decision.

I guess you can look at this from a variety of ways, and I wondered if the minister was familiar with the legal aid adjunct to the social assistance review process, if your ministry has been studying it. When I checked with legal aid, upwards of anywhere from \$20 million to \$26 million is being put into this component of ancillary tribunal work.

I wonder if you're analysing it in any fashion in terms of its impact on either the delaying process in social assistance review, the potential saving if decisions are reversed one way versus the other, or knowing that if legal aid is an entitlement, if all entitlements are retroactive, then there's no cost savings, but if they're not retroactive, then that could be a substantive savings to social assistance if their sort of appeal is delayed through this judicial process.

If the minister could share with us any additional information around this area, since I know your own Attorney General has recently indicated that she is concerned about the overextended usage of legal aid. It would appear that it's being used at an increasing and alarming rate by this component of your ministerial responsibility. I'm not saying you personally are directing this, but perhaps you could enlighten us as to that process.

Hon Mr Silipo: As I indicated to some extent this morning, we are doing a number of things that we know

will streamline the operations of the Social Assistance Review Board and the whole process around decision-making. One of the effects of that is to shorten the time between the initial application being lodged at SARB and the point of decision, which is in everyone's interest, from the individual to the systems and the taxpayers in terms of getting decisions rendered as soon as possible.

The issue of legal aid in terms of eligibility and continuing entitlements to that is something that I think, to be fair, we're not involved in in terms of making directly decisions about what should happen or shouldn't happen. There are, as I'm sure you know, serious discussions going on now between the Attorney General and the law society on better management of the legal aid problems and the issues within that in terms of the demands upon the system.

Mr Jackson: Maybe I wasn't specific enough, Minister. This was a pilot project a year and a half ago. Are you still currently working in a system where legal aid is resident at all the appeals and they are examining the cases prior to the commencement of the appeal, which is what I understand was the basic look of the pilot project? What was the purpose of the pilot project? Was it deemed successful, unsuccessful? Are these people still there?

Are we simply telling people, "You have legal representation," and then they can go to their own legal clinic? Or are we in fact, as was explained to us by the new vice-chair of the Social Assistance Review Board, that in fact she was resident onsite and was examining the files prior to them going in and routinely advising people: "I don't think you're ready. I think you need legal advice. Please call our legal aid clinic."

Hon Mr Silipo: This was specifically with issues before the Social Assistance Review Board that you're asking?

Mr Jackson: We were interviewing your government's nominee for the vice-chair whose expertise was that she was a legal aid lawyer, working for that, and only through my examination did I trip onto it. That's all.

Hon Mr Silipo: Where I'm having some trouble with your question is whether, and I guess I'm not clear, what you're probing has to do with the functioning of the legal aid system or a particular piece of that that relates to the Social Assistance Review Board.

Mr Jackson: I was specifically asking about a pilot project, if it is still in existence, and what were the reasons for its termination. What is the procedure now in place? Is there a staff person assigned to the Social Assistance Review Board to explain what, if any, impact legal aid assistance has had on the process of the appeals, and is this pilot project, by the very individual assigned to the board, still in existence?

Mr Costante: Sorry, I'm not aware of the pilot project you're referring to. We can inquire of staff back. We do have fairly frequent contact with the legal aid clinics, both in terms of cases and getting advice in terms of policy. The legal aid system we've had some contacts with but, I'm sorry, I'd have to check on this particular pilot project that you're talking about.

1420

Mr Jackson: I have statistics that have been provided to me from legal aid and some from the Social Assistance Review Board in the varying categories, indicating where accompaniment by a lawyer and where not and where decisions were reversed.

Perhaps then I could leave the legal aid component of it and ask the minister, have you done any analysis or has the board reported to you concerns around the fact that, on average in the last two years, they have been reversing almost as much as half of all the appeals presented to them?

You can look at that in two ways. One is that we've not handled them appropriately at the front end, whether it was done by a municipality or by Community and Social Services staff, which necessitated a reversal of the decision, or circumstances are in such tremendous flux and the time delays so severe that by virtue of those two factors we're seeing a high incidence of reversal. But in terms of an appellant mechanism, we're clearly giving a signal out there that you simply have to go and you've got a 50% chance of getting the decision reversed to your benefit.

I think, were I the minister, I would want to look at that to determine what was essentially the component factor, and what was our staff or, through the legislation, municipal staff doing wrong that was causing such a high turnover.

The third factor, I've been told, is that it's an open-ended appellant mechanism, that you can again reapply and that you're not cut off indefinitely or for a period of time as you are, say, for the Criminal Injuries Compensation Board or other boards where you are given one right of appeal or maybe two but certainly not open-ended.

Could the minister share with the committee any concerns, or are you currently undertaking to review any aspects of the points I've raised?

Hon Mr Silipo: We're very much involved in discussing with the chair of SARB exactly those issues. We talked earlier, Mr Jackson, about some of those pieces.

One of the things we know has to happen, and I think already some of the steps that have been taken are helping in this, is that in fact there has to be greater knowledge and consistency throughout the system, whether it's the FBA system or the GWA system, about the nature of the decisions that are made by SARB, so that we are not in a situation in which we are, either through our staff or through the municipal staff, continuing to take forward cases that have been determined in a particular way by the board.

Part of the streamlining of the system, in our view, includes having to then look at what administrative practices we need to straighten out and improve as we get a better handle on those decisions. That's something that, in the kind of closer working relationship that has been established, I have to say, particularly over the last year, between senior management of the ministry and SARB, I think is resulting and will result even more so in some of those practices changing within the ministry and within the municipal sector that administers the GWA system.

Mr Jackson: Is it possible for the chair of SARB to be present for these hearings tomorrow?

Hon Mr Silipo: Absolutely. We had indicated earlier that if you wanted to probe any of these issues further, we would be quite happy to have her come.

Mr Jackson: For their convenience, if we were to advise them we could only limit those to either the morning or the afternoon, so we're not taking up an entire day.

Hon Mr Silipo: What we can do if you wish is to check. I know the chair of SARB is on standby, and we could sort out whether that's the morning or the afternoon.

Mr Jackson: Thank you. I have had occasion to sit in on several review board decisions and I have noticed that the numbers of voc rehab cases do not result in the same sort of favourable reversal of decision, and that causes me cause for concern. One particular case involved a provincial employee who I thought, with her disability, had been severely done by the ministry for which she had been working for many years.

I wonder if we could get a breakout of the voc rehab components. It's unfair to be talking about social assistance review and everybody's thinking in their own minds that these are welfare recipients disproportionately with refugee claimants. I certainly don't wish to add to that debate. I really would like to explore some of the more detailed analysis and review of those seeking the FBA and voc rehab as part of their appeals. I'd like to see what kind of numbers they're faring when they go through appeals. I think that's a fair question since equity, I understand, is one of the major themes for the ministry for the coming—

Hon Mr Silipo: We can ensure that this is addressed as well when the chair of SARB is present.

Mr Jackson: I will set aside those areas, if I can, for a moment.

Perhaps the only other area around that might be if we can get some statistics on the average delay and if those delays for a review hearing are particularly acute by type of application and/or location in the province. I have had some concerns about the notion that in some instances social assistance is automatic and the state appeals the decision, and the case in point would be social assistance for students, where they have the right to have access because of the nature of the reasons being submitted for student welfare, and then appeals and how many of these no-shows nine or 10 or 12 months later there are that are attributed to this component factor. Again, were I the minister, I would want to be monitoring that aspect of it, because not all social assistance is automatic. At least that's the way I understand it.

Perhaps the minister could advise us if there have been any changes around the processes for application for what has been loosely called student welfare. I've seen the numbers around the 30,000 mark, and that should be cause for concern.

Hon Mr Silipo: Again, on your request for more statistical information, we can certainly make sure that's available. We have that information, and if the chair of

SARB is going to come forward, she can provide and speak to that information.

Specifically on the issue of 16 and 17-year olds, as you know, we've had the chance to discuss this issue in the House a couple of times as a result of questions, and we are looking at that very much now. One of the things we are trying to do, and we hope to have something in place very soon, but the direction we're moving in is to try to first of all establish a clear description of the criteria under which young people would be eligible to receive social assistance, the sort of special circumstances, which is the catch phrase that's in the legislation. We think there is a need to define that more closely than it has been defined so far, and then to move from there to establish some greater clarity around the issue of expectations of young people around school attendance or fulfilling the job search requirements, as other people under the system have to fulfil, and how all those pieces would fit together. That's something we are working hard on now and we hope to have something very soon that we can make public.

I think then the issue that is obviously connected to that from your question is the issue of appeals to SARB by young people. As I recall the figures, I don't think there's anything proportionately inordinate about that in terms of any of the figures I've seen. But again that's something we can look at perhaps further when we have the statistical breakdown from SARB.

Mr Jackson: Well, has the policy not changed from—I believe the implementation date for the SARC recommendation on student welfare, student social assistance, was to kick in around 1991 or 1992, and enough of a fuss was kicked up about it that the government didn't proceed fully, but it left it in this state of semi-limbo, and of course the worst thing we can give as direction to bureaucrats at any level of government is to put it in that state, and we've done that.

Interjection.

Mr Jackson: Semi-limbo, for Mr Elston, himself a former Health minister. The desire to use a health example would be wonderful, but you're not to proceed but then again you can't deny is what I class as semi-limbo, for want of an explanation.

So you put staff in a terrible position here, and around the very sensitive issue around children's safety, where depending on what mood you're in when you get out of bed at a children's aid society determines whether it's a necessary and appropriate intervention, and now you unleash a whole other host of services within the ministry. It may or may not necessarily be appropriate, but at least that's what's on the street as the appropriate lexicon to use in order to get automatic unfettered access, and it may take them nine months to a year to prove that you're not being physically abused by your family.

1430

Certainly when I read the St Catharines Standard, we have a Thorold councillor, himself a teacher in the public system down there, who's done some extensive research, longitudinal studies of students and their attendance records and their graduating outcome records, and to the

extent that this is believable—and I suspect it must be, since a teacher prepared it and tabled it with his council—this is extremely disturbing material. I wonder if it has been brought to the minister's attention in any briefing fashion and if he's aware that the student achievement rates tied to access to social assistance are extremely—not only in terms of poor attendance but in terms of graduate outcome and dropping of credits and a variety of other things.

I wonder if the minister could share with the committee that his commitment to resolve this semi state of limbo on student welfare is a rather direct commitment and will be dealt with fairly soon. I'm hearing from a lot of guidance counsellors and a lot of school boards, and the minister himself has an extensive background on school boards. He would no doubt understand the context in which this report has implications for educating our young people.

Hon Mr Silipo: I certainly do, Mr Jackson. I think we can tell you first of all—and this may be a good or a bad sign, I'm not entirely sure, to be quite honest with you—that the number of young people, if by young people we're talking essentially now about 16- and 17-year-olds, who are on welfare is actually lower this year than it was this time last year. I think that's a good sign on the one hand, because I think it tells us that either the efforts, the discussion around this issue or any number of other factors have contributed to that to drop. The reason I hesitated as well and said maybe it's not an entirely positive thing is because I'm not sure what that says about whether we are necessarily picking up all young people who really are particularly in need.

But be that as it may, the issue of limbo, as you've described it, I think is not—I'm not sure that I would describe it much differently than that. Certainly as I've looked at this issue—and again, I've had the chance to comment on this a number of times, publicly in the Legislature and other places—I've been struck by how in this area, I think certainly with all good intentions, we have managed to get to a point where we have provisions and guidelines that are so broad they then can be interpreted in any number of ways. Often I think they're well interpreted and well applied, and sometimes they're not, and I think, as I've indicated before and reiterated here today, what we have to do is to give not only greater clarity but greater detail to those provisions.

Mr Jackson: Minister, I tried to make it abundantly clear when I suggested the time lines of 1992. I know I was an outspoken critic of this SARC amendment. I now feel badly that that public debate has set in motion such uncertainty. You'd have been better off to make the decision, "You've got unfettered access," and defend the damn decision.

But this is not acceptable. You've been the minister well in excess of a year and a half. Your predecessor made the initial decision, and I'm sorry, but the concept of, "We're coming together and resolving"—this is not a major undertaking to resolve this issue in very clear language without in any way impeding access for a 16-year-old unwed mother who wishes to continue her education and not seek an abortion, or in any way inhibit

the right of a child to leave an abusive situation without, in that decision, abandoning their chances of a secondary education. In no way would these essential components of this element of social assistance be damaged.

Finally, my point is, I've read the stats you've just shared with me. If you compare the June stats to the August stats, Minister, you're spot on. They've declined. But every summer student welfare drops, and it drops for a variety of reasons. They're relocating to a university, the family has moved, there's high transience in lower-income families; there's a whole series of factors, but you've not told this committee one thing we haven't known by looking at these same statistics. But if you compare the September entry numbers to last year's September entry numbers, we're still up.

The final point: I know I'm running out of time, but in the framework of greater accountability, accountability will only work if we've got the policy guidelines and the parameters very clearly set out. And we have those in many aspects of how we tell people who's eligible and not eligible. This is separate from people who don't always tell us all the information we need to know. But we are very clearly unsure of what we're doing in this area. We can't be clear enough, and we put our staff in terrible positions and they have to err on the side of the applicant.

This is coming at a huge cost, not only to the taxpayers, but as would be suggested by clear empirical evidence by Councillor Tim Kenny, with the support of the council down in the Niagara region, this is having an impact on the educational outcomes of a whole group of kids who are seeing this as a ticket and not necessarily as the atypical case, for which the vision for this was so a young girl could raise her child and complete her education, so people could escape an abusive situation and so on.

There are not 35,000 young people in this province being abused at home or bringing a child into the world, and that's really what I'm trying to get at, and I can't understand why it's taken two years for us to resolve this. Why can't we bite the bullet and make a decision and make our guidelines clear, and not get involved with SARB going into lengthy appeals without going back. I mean, you're not going to take a 19-year-old to court and say, "Look, you owe us this back pay for all the money you got on social assistance you shouldn't have got." That's a write-off. But we've written off some element of their dignity and their ability to look at society as a contributing member and not to see society as a great game and an opportunity to take advantage of the weaknesses of a system that we ourselves are the architects of. That's my concern, and I don't want to hear that we're still studying it and we're coming together. This is not a tough area for a tough decision to be made.

Hon Mr Silipo: Maybe not, Mr Jackson, but I can tell you, having been privy to some of the reports and the discussions around this issue, that if you're able to figure out a way to get more agreement on this area than we've managed to get to so far, then you're a better person than I am, because there are as many views on this issue as there are people that you can get together in a room to

discuss it, and that has been, quite frankly, the difficulty with this.

I don't disagree with you one iota about the need for us to clarify this issue, but I don't think what we want is either a situation in which we get to the point where we assume that every young person who comes to the welfare office is trying to cheat the system or, on the other hand, a situation in which we assume that every one of them is absolutely in every case telling the truth about everything that is happening.

I think what we have to do is to have a policy that is much more detailed than the one we have now, that says to young people, "Yes, in these particular issues, these particular circumstances, you have a legitimate right to get help," and the help is not just the social assistance benefit, mind you, but also the direction towards getting some help around dealing with it if the problem is one of abuse, for example.

And yes, I wish that it wasn't taking as long as it is taking to get that perspective put together and to get those decisions made, but it's taking as long as it has because we know there are huge disparities in perspectives on this across the province and what we're trying to do is to pull them together and see if we can come up with a policy that makes more sense than the ones we've been having in the system for many years.

The Acting Chair: As you've noted, your time is running out and has run out. We're over to the NDP member, and I gather the member for Huron is next. Just for your own ease of timing, you're looking at the clock, and you can see that it's 20 to. Your caucus has until 10 after, so you can sort of judge accordingly.

1440

Mr Klopp: I'll try to talk real slow.

Now that we're in semi-limbo or whatever—that wasn't a very good definition. He has a better one, but I'll let Wayne do that one. Tony, it's great to be here. In fact, I have a couple of questions, I guess one from the village of Zurich, actually. It's an issue that they bring up, but it's one that I think has come around on a number of occasions that I hear back in my constituency, and that's a feeling out there, whether it's real or not, and I'd like you to clarify, if you can, the issue around people who do receive welfare.

The issue that we hear from time to time is, "Well, I should quit my job." We can all remember a case in this city where someone quit, and she quit a \$40,000-a-year job. I don't know where she's at now, if the press is following her, but that's the kind of feeling out there. I've tried to come to grips with it and I'd like at this time if you can clarify.

In their particular case, they cite an example of a family of four. They based it on a weekly income of \$412 a week, and they said that's what they're receiving in welfare, and including free medical and medication benefits, where other people in the community are making around \$15 an hour or less before deductions and taking home a weekly income of \$391.

We all realize you can use examples and pull numbers. I just wonder if you could clarify at this time today, or

tomorrow, if it's too detailed, but if you could clarify for me for people like Bob Fisher and others in my community that welfare is not something that, it's better to be on welfare than working.

Hon Mr Silipo: This is an issue that we continue to hear a fair amount about. We can say, I think, that it is better for people to be working than it is to be on welfare, although when people do compare the numbers, you sometimes can see why people come to those conclusions.

As I'm sure you know, we have in the system a number of ways in which we are trying to assist people in re-entering the workforce. One of those, as I mentioned earlier in my opening comments, is the STEP program. Sometimes what happens is that there is a bit of a confusion, and I don't know if this is what's happened in this particular instance or not, when people look at the fact that it's possible for people to earn some money and still retain some level of benefits and somehow then people put together the money that people are earning as well as what they might be eligible for on social assistance if they were not earning anything and come up with sums that are a little bit exaggerated relative to what actually is possible. I don't know if that addresses the issue. I'd be happy to address it further, if that's necessary.

Mr Klopp: Okay. Another issue which you deal with is child care. You've talked about it in your comments and it has been mentioned by colleagues across the way.

I want to deal directly I guess more with the rural child care. What steps have you been undertaking with people out in the countryside? When you get away from the Londons and the Owen Sounds and the Hamiltons, we really have a lot of people out there who are being missed. Could you update us on what you have done, what your ministry has done? I know at the Ministry of Agriculture, Food and Rural Affairs we've been doing some things, but could you maybe give an update here at this time of where you're at, and if there are even some dollars or whatever, that would be fine to hear what's going on.

Hon Mr Silipo: As you know, there was earlier this year a conference that was in fact cosponsored by this ministry and the Ministry of Agriculture, Food and Rural Affairs that dealt specifically with issues of child care as they affected rural and small communities. One of the things that came out of that conference was in fact a group of people who have been working essentially on a number of improvements, a number of projects that would strengthen the child care provisions in rural and small communities.

We have been working with them to not only support their activities around changes to policies, but also to implement some of those through some pilot projects. I guess it was just before the beginning of the summer I had a chance to meet with some of them and reiterated my support for including some funding requests they made to us to be able to continue some of that work.

We know that in some of the smaller communities one of the things that people have said to us works well is, in effect, the development of child care in a way that allows

a combination of care to be provided in homes, so through the home child care system, and with then support being given to those child care providers, usually through the resource centres, so that kind of a hub model is established through which both the ongoing support services as well as, in some cases, toy-lending libraries and a whole array of other support services are linked into the resource centre. That supports the provision of child care in the home, through people again who become better qualified to be able to provide that and better supported in doing that.

That's something I think we have to continue to expand as a direction. There's a particular resonance of this in rural and small communities, but as we talk more and as we do more with respect to child care and the future of child care, I think that even in some larger centres there's a sense that this is also something that is a viable option and something that we need to continue to support, while obviously continuing to support just as much the centre-based child care that we provide.

Mr Wayne Lessard (Windsor-Walkerville): Mr Minister, I certainly appreciated your opening comments, especially those which reflected upon our relationship with the federal government. Of course, that is an important relationship, especially when it comes to dealing with programs like health and education and social assistance. You mentioned that even the Liberal government in Ottawa is continuing to maintain the cap on CAP and you continued in your remarks to say that it has tightened its eligibility on unemployment insurance and that there's been a big shift to Ontario taxpayers as a result of that.

There are areas where I know we're trying to get some cooperation with the federal government with respect to child care reforms, and I have been provided with a copy of a letter that we sent to Lloyd Axworthy, the Minister of Human Resources Development, in May with respect to our proposal for federal cooperation with respect to child care. I wonder if we've received any feedback or any response with respect to that proposal up until this time.

Hon Mr Silipo: I indicated in my opening statement this morning that there had been what I would categorize as some very good discussions on the issue of child care and the question of support by the federal government for our interest in moving beyond the very significant improvements that we've already made in the system. I have been having a number of discussions with Mr Axworthy, certainly going back as early as, if not before, February of this year at the provincial ministers' meeting that we had with him on the whole social security reform process, and following that up with a number of specific conversations that he and I have had, the most recent of those being towards the end of July.

I don't want to get into the details of those conversations, but suffice it to say that I am quite optimistic that there is both an interest and a willingness on his part to look quite seriously at some of the aspects that are in our proposal that we put to the federal government before the summer, particularly the issue of funding reform, that is, of changing the way in which we fund child care in the

province to be able to allow us to move the system from a welfare-based system and to provide it much more as a broad social service across the province.

We know that's a direction that not only we as a government believe in, but I think indeed there's general support; certainly something that many child care advocates have told us we need to do. Again, it's been useful for me to hear those kind of positive responses from the federal minister.

What we have yet to see are some actual dollars. We are following up on those discussions at the officials' level—in fact, there are meetings scheduled for later this week—and our approach is going to be very much to try to get some money from the federal government, both from its strategic initiatives funding, which it has targeted to be a fund of some \$800 million over the next few years to be able to fund a number of initiatives, from things like JobLink, for which we are getting some money, as I mentioned earlier, to issues like child care, and then we are also going to be talking very much with the federal government around the commitment that it had in its red book to money for additional spaces and expansion of child care into the future.

Our approach is going to continue to be very clear in requesting our fair share of that funding as a province and we'll see whether in effect the kind of positive responses that we've had so far will translate into dollars from the federal government. I hope that they do, because I think, partisanship aside, if that happens it will allow us to move forward fairly significantly with some very important changes and improvements in the child care system of the province.

1450

Mr Lessard: One area that I'm interested in as far as expansion of child care services is concerned deals with resource centre services, and that's part of the proposal. I don't know if you have a copy of this proposal in front of you, but I was wondering whether the expectation of increased expenditures when it deals with resource centres would include operating or capital, or a combination of both.

Hon Mr Silipo: I think realistically it would have to be a combination of both. We have already a number of resource centres, as you know, across the province. We all believe we could probably use many more. Again, I think part of the balancing act we have been trying to do has been to make sure that as we build new centres—and I think Mr Jackson was talking about this earlier—we also have the money to be able to run them and operate them, and I think the same applies to resource centres as it does to child care centres themselves.

We think that resource centres will probably play an even greater role in the future because they do provide not only a hub of services but they also provide a very useful place where parents can get a lot of help, from straightforward information about what exists in a whole array of information and supports around child rearing to in effect providing the kind of support we were discussing earlier around Mr Klopp's question to home-based child care. I think there's that whole combination of issues and supports that really makes the resource centre

a very viable part of the expansion of child care in the province.

Mr Lessard: Of course, you're aware of one resource centre in my riding, the St Mary's Family Learning Centre. They're quite interested in this proposal to the federal government because they're not just interested in making sure they have funds for operating but they're interested in the availability of funds for maintenance or purchase of a building.

They've run into problems in the past because of the fact that they don't provide child care services on site, so they don't really have access to any capital programs. They're faced with rent increases on the building they're currently in, without any ability to meet those increases or to make application for funding to purchase a new building. So they're quite interested in this proposal and they're also interested in what might happen if we don't have any cooperation with the federal government, what that's going to mean for them.

Hon Mr Silipo: I certainly remember the centre because of a visit that I had there with you, as you recall, some months ago.

One of the things we have done is to put out into the system an interim policy on resource centres, which I think is a first for the ministry. Again, we purposely put it out there as an interim policy because we knew there had to be more discussion around it, but we wanted to make sure that we put it out to indicate the importance that we place as a ministry on resource centres. I think there is an issue of legitimacy here that we need to make sure is addressed; that is, I think it's important for the ministry, in its capital allocation and in its operating allocation, to be placing resource centres very much as an important part of the array of services. So putting out the policy was our way of indicating that's the case. We will be adding to that as we look at the issue of capital to whatever extent we will have additional dollars to spend on further expansion, and then how we deal with it in the whole array of operating dollars.

In order for us to truly do the kinds of things to the extent that we think they need to be done, we really need to be able to address the big dollar issue, and the only way in which we can effectively address that is if we are successful with the federal government in getting some dollars from it that brings its level of support for child care back up to the level that it was several years ago. It has been deteriorating. It hasn't got as bad as the 29-cent dollars that we get for social assistance, but it's also decreased. Of course, all the funding we get from the federal government comes under the Canada assistance program, and that is something that also has been suffering as a result of the reductions by the federal government.

Mr Wiseman: I have a number of questions. I'd like to begin with a question with regard to programs run by children's aid societies with respect to children who are the victims of sexual abuse and what kind of treatments are available to children in that regard.

My understanding is that there's nothing in the Child and Family Services Act that requires children's aid societies to run group therapy sessions. This is becoming

a rather interesting issue in my part of the world in that the children's aid society is asking the local groups, the Rotary Clubs, Lions and so on, to find the money so that it can continue a program of running group therapy sessions. Could somebody help me out here in terms of giving me some information about what the government is prepared to put into group therapy sessions for children affected by sexual abuse?

Mr Jackson: Who's legally responsible?

Mr Wiseman: Yes, who's legally responsible and how that funding would work out.

Hon Mr Silipo: If there's an issue of child protection there, then obviously the society does have that responsibility. Now, how it carries out that responsibility, there probably is a fair amount of room, so it may be a question of the discretion that the society exercises in how to best provide that support. I wonder if any of our officials can add some more specifics to that reply.

Mrs Herbert: To go back to the original question you made, children's aid societies have a legal mandate to provide protection services, and inherent in that is to develop, then, case plans for individual children, which may or may not include therapy. Who provides the therapy is then a matter of negotiation and community planning. Some of our CASs do provide their own fairly extensive services that they run and are responsible for; in other parts of the province, other CASs have negotiated what you might call protocols with other treatment centres, child treatment centres or children's mental health centres, to provide services on behalf of their clients.

It very much depends on what services are available in a community and what services the individual child needs, how they're configured around an individual child's plan. Some of our children's aid societies actually are approved to provide formally children's mental health services and other services—they're designated under the act for a number of services—and other CASs have fairly narrow designations, but they do have primary accountability both for protection and then for case planning for those children.

I don't know the particular agency you're referring to. We do know that there have been CASs that have provided very innovative pilot programs themselves that have decided now that those are programs they either no longer are able to or no longer wish to actually carry on themselves and have looked for additional funding from their community and other service providers to do. That may be the case in this example. But if you want to provide me with that after the session I'd be glad to follow up on the particular example.

Mr Wiseman: Okay. So if they had decided they didn't want to continue the program within their budgets and wanted to fund something else, then that would be a decision of their priorities?

Mrs Herbert: Yes, as long as they're meeting their mandate to do protection work and also to do case management planning for the child.

Mr Wiseman: Well, in Durham that's a question too. If they have decided within their own budgets not to

continue with this group therapy program, then they can go out to the community service clubs and ask them to kick in \$60,000 so that they can continue this?

Mrs Herbert: Different CASs do different fund-raising, and many of our CASs have foundations. Many of you will know, for example, the Metro CAS, with its Metro CAS foundation, which does very extensive and sophisticated fund-raising to fund its own programs outside of the ministry's funding. So it's not unusual for some of our CASs to do fund-raising to establish their own priorities outside of the ministry's funding.

1500

Mr Wiseman: The next question I have has to do with children as well. It has to do with where best to allocate resources in order to maximize the effect in terms of helping children. As you know, I come from an education background. There is nothing currently that mandates the boards of education—as I understand it; I may be wrong—but there's nothing there that mandates that they have to have counsellors and people who can actually intervene with family problems and work on protection of children.

I was just going through the statistics in the Children at Risk submission and they're quite startling when you start to think about the number of children who are abused, the number of children who come from families that are below the poverty level who need help. So my first question is, has your ministry worked at all and made any submissions to the Royal Commission on Learning that would give that commission some kind of ability to evaluate whether it should in fact recommend that counselling become a permanent part of the educational system?

Hon Mr Silipo: I was just checking to see to what extent there have been discussions specifically with the members of the royal commission. I know that there have been some general discussions; I don't know to what extent they broached those topics. This is not an area that we are not aware of as being a problem. Secondly, it's an area in which we have been doing some useful work.

We talked earlier about the Better Beginnings projects. There is an incredible coming together there through those projects that I think is teaching us a lot, not just as a ministry but I think as all of us responsible in whatever way for serving children, what needs to be done to be able to look at those needs without the constraints of the ministry limitations. There is in our own children's policy framework very much an approach that says to people that locally what we want is for children's agencies, school boards and others to be working together to be looking at particularly how they can address problems with children at risk.

A sizeable amount of the community innovation fund that I also mentioned this morning we expect to spend encouraging, funding a number of initiatives in the children's services area which do exactly what you're saying, which is to get people to work very much at the local level in pooling together their resources and moving away from the traditional approach that's been there, which is that is that a school looks at a young person as being its business for particular hours of the day, and

then a children's aid society intervenes in certain situations, and another children's services agency would get involved in other particular kinds of instances.

We need to say, "What are the common characteristics that all of these young people have that we have to deal with, and how can we do that in a way that we're not stepping on each other's toes and not doing the same thing twice and three times over and therefore using the dollars that we have in a more effective manner?"

I think we've learned a lot from the initial development and implementation of the children's policy framework. What I can tell you that we're doing now with it is that we have set, area by area of the province, some clear expectations about some good next steps that have to be implemented. Part of that involves very much ensuring that the consumers' organizations and the people who advocate on behalf of children are also at the table in implementing those approaches, but the other is a very clear expectation on our area offices that they take the initiative to make sure that all the players are around the table and that those issues are addressed in that way.

I think we can see some improvement, and we are seeing some improvement as a result of that. Whether that gets us, as I am assuming your question alludes, to the need for some broader policy and perhaps even legislative changes that need to come down the line I think is really where ultimately we need to be heading and I suspect that, as we get the report from the royal commission, it's an issue that's going to again be very much on the public table for discussion in terms of what we do in that area.

Mr Wiseman: From what you were saying you didn't really indicate whether you'd made a submission to the royal commission or not. From my experience, the whole attendance question and whether a child is in the classroom or not really does reflect some of the problems that are going on in the home or in the life of the child. Yet when we have attendance counsellors, they're not trained to deal with the problem; they're trained to deal with running down kids who are out of class. It becomes, in my view, a circular chase: They're not there, so you send the attendance counsellor; the attendance counsellor catches them and brings them back, but then they're not there again and you send them again. But it doesn't slice through the issue and deal with the reason they're not there.

It seems to me that the dynamic that's happening in the boards that were farsighted enough just to begin to move in the direction of hiring counsellors, because of the Education Act and because of the dynamics of the way the negotiations take place in these boards, there's no protection for them. So they're out, with our cost cutting and what we have done, what they're doing and so on. These are the first people who are gone. The problem is that you don't have any solution to this. These children continue to be lost in this kind of a vacuum of policy and the lack of requirements that—

Hon Mr Silipo: First of all, specifically to your question, the royal commission has had access to all of the work of this ministry, as it has to all of the other ministries that deal with children in any way, so they've

had as much access to any of the information and the work we do as they've wanted to. As with any commission, it's up to them to determine what of that they want to use and what they want to probe.

I want to come back to the issue of how you make change happen, which I think is at the heart, if I've understood correctly, of what you're asking, which is that I think there may very well be a need for some changes, both in legislation and in policies at the provincial level. Even with that, it seems to me, and I can tell you from my own experience in working on a school board for a number of years, that the only way that kind of change—and I'm sure you would know yourself, from your own days in the classroom—that the only way in which these changes can actually come about is if there is that kind of process locally to get the different players together and to get them to each put their pieces of the responsibility on the table, and to step away from the kind of traditional turf protection that's been there and to say, "If we've got a particular set of problems that we see recurrently in certain young people, then how do we address them in a way that allows each of us to do our part?"

The Acting Chair: I see by the clock on the wall it's 10 after. Mr Hope, I'll have to put you down for first next time.

Mr Randy R. Hope (Chatham-Kent): No problem.

The Acting Chair: Back to the Liberals.

Mr Elston: Just a couple of questions, although I would like to pursue, just for a moment, a couple of lines that Mr Wiseman opened up because they have been of interest to me.

First is the coordination of children's services in the classroom where there are requirements for attendant care. Boards of education, mine locally and I think probably everybody's board, have hired people, and you may get one and a half attendants in a classroom but you may have five children who have special needs. These people move back and forth from one room to another and in the end may not be able to look after anybody really very well. In one circumstance that I know, a very severely handicapped child requires almost full-time attendance from one full-time person, so that leaves a half person to run around to others.

I guess I wonder, with the concern expressed in your answers earlier about the needs of the child, will Community and Social Services guarantee that the child's needs will be met if the board of education does not meet it? You were talking about the issue of passing it around. I think that at the end of the day the welfare of the child falls to your ministry. Why don't you pick up the needs of the child and then let the bureaucracies work out the journal entries?

1510

Hon Mr Silipo: I wish it were that easy. It's not just a question of journal entry, it's a question of what exists in legislation in terms of who's responsible for what and sometimes, at the end of the day, that may not be the important thing, but it is also, unfortunately, the reality under which each of the ministries function and has to function.

I think what we've been trying to do again in this area is, rather than concentrate all of our efforts on structural changes at the provincial level, we've been trying very hard to concentrate our efforts on what changes we can practically bring about at the local level.

Mr Elston: But at the end of the day, structural changes, wherever implemented, are leaving people without the attendant care in the classroom. Young girls and young boys are left to fend for themselves. There is no role that is allowed by most boards for people to come in unless they have a particular, special appointment from one part of a program. I, for instance, in many boards—I don't know about all boards—can't go in and be an attendant in full-time attendance with my child unless I have some kind of special designation other than parent. I could be charged with trespass and ejected by just being there to look after my child when I find that there isn't enough care available to assist my child's needs through the day.

So while you talk about the paramount requirements of looking after the child's needs, your ministry, the Ministry of Health in some cases and the Ministry of Education and Training, are so structured as to leave only one person or maybe one group of people at wit's end, and that is the child in the classroom and the parents, who can't even volunteer to be the attendant in full-time attendance because they have no special status in those schools. Why can't you get over this problem, the bureaucracy of it all, make sure the needs are met and then fight about who picks up the tab?

Hon Mr Silipo: Again, I think what we're trying to do is deal with that through some planning at the local level, because in that process we've been discussing there are not only the different community agencies but also in fact people from the three ministries, Health, Education and our own ministry. It's really been through those efforts that we've felt it's been more useful to try to get at some of these issues. The attendant care problems that you've identified are issues that do fall more particularly within the responsibilities of the Ministry of Health, but I appreciate the point you're raising, which is that at the end of the day we're talking about kids who have needs. It's really not an issue of turf here, it really is an issue of sorting out the legal responsibilities that each of the ministries have.

Mr Elston: Isn't the big issue here not so much responsibility areas but, as a result of the exercises of finding money, it has been discovered that they cannot meet the needs of children whether they are in Community and Social Services care, whether they are in the Ministry of Education and Training's mandate to care for or whether or not they are under the aegis of the Ministry of Health's programs? Isn't that the real issue now?

Hon Mr Silipo: I think that's a part of it. I think it's fair to say that the fiscal crunch we've been going through has put even greater onus on everyone working with children to look at how we're spending money and what we can do, and some of what's happened initially in that has been a sense that perhaps programs have been lost.

But I think what will come out of it, if we do the work

that we are doing is, in effect, a better way to serve kids, and in doing it that can emerge. We have to be sure we don't simply remove funding for programs until and unless this planning goes on and until and unless we have something that can pick up the pieces.

Mr Elston: But that last statement is much too late, because you know and I know that money has gone from programs, whether it be directly under your ministry's aegis or not. Whether it be under Education or Health, money has gone, programs have been reduced in size.

The question I have for you is this: If a parent with a child in need of special supports has a child whose needs are not met, would you advise them and would you authorize your local authorities to provide the support for that child while the problems are being sorted out?

Hon Mr Silipo: That's been the approach we've taken on our individual cases, generally, yes, where in fact—

Mr Elston: So they should apply through your area offices.

Hon Mr Silipo: We try very much to make sure that no one falls through the cracks and if there's an issue of some funding needed until the appropriate ongoing funding mechanism has to be sorted out, then that's what we try to do. We do that in a number of instances. To go back to use your words earlier, then we'll fight with the other ministries later.

Mr Elston: How many of those instances have you done? These are special authorizations or minister approvals or whatever.

Hon Mr Silipo: They're not even necessarily ministerial approval. I think they've happened and I've been aware of a number of them as a result of actions that our officials have taken. I guess the most common is where there's an issue about placement of children and moving young people from one place to another. What we've generally done is to work with the particular agencies to say the young person stays where they are until another appropriate placement is found and the funding just continues to be worked out.

Mr Elston: But likewise, the situation could be one where lack of attendant care in a school may preclude somebody from actually attending class. In that situation would you advise the parents to apply to your ministry for support until appropriate placement arrangements can be made?

Hon Mr Silipo: If that seems to be the way in which—in other words, if there is no support being provided elsewhere then, yes, we take our responsibility to do what we can in the meantime.

Mr Elston: What about the situation where programs that are designed to assist a child in need of special services are not available to an individual? I have a particular case in my own town where a young girl having suffered a head injury is in need of special rehab attendants. She's gone to school. She may not be able to go to school full-time because of the intensive need of assistance. Her mother, for instance, now is prepared to leave work and come home and actually administer the rehab program herself. Is there a way that mother, for instance, can get some financial support because there is

a low-income situation at home? If she does stop she's going to suffer, the whole family suffers as a result. Is there a program or is there a special authorization that can be made for that family so the mother doesn't have to choose between economic—at least tentative economic security by continuing to work, or her daughter's rehabilitation services?

Hon Mr Silipo: If it's a question of rehabilitation, I'm not sure where that falls, whether in fact it even falls necessarily within our mandate or what. If there are some issues related to that, what you were describing, I almost—I will jump into the issue of the special services at home as being very parallel to what you were just describing. I'm not sure that particular issue, though, is one that fits into it. I don't know in terms of rehabilitative services what would happen in that case.

Mrs Herbert: A little difficult—sorry. Sue Herbert, ADM, program management—without knowing the particulars of the case, but we have done rehabilitation programs through voc rehab for brain-injured adults, young adults. That's one kind of support, but without knowing—

Mr Elston: This young lady's 13, 14.

Mrs Herbert: Then I think, again without knowing the details, probably there would be some—if there aren't available other community supports which can support her, then probably special services at home would be the first avenue that might offer some support to the family. But it's a little difficult without knowing the details around the case.

Mr Elston: I'll certainly make those available. In fact, we are now trying to make some contacts to see how it will work anyway. But the difficulty, you see, here is while there seems to be a willingness to provide the need, if it doesn't fit a program, for most people out there looking for services for those special-needs individuals, it is a real morass, it is a minefield. If it's a minefield for people working in the professional areas, you've got to understand what it's like for someone who had a healthy eight-year-old and then within a few minutes has an unhealthy, very dependent child on their hands and has had that child living with them now for some four years, and saying: "I now have to decide whether I can quit my job, because if I don't quit my job I don't think my child will get any help. Some people say the child can recover more fully, some can't, but if I quit my job, we have no money at all."

There's a monthly payment of \$370-some, I think, for a disabled child benefit or something, but you know how far \$372 goes over a month. This is a person who is totally dependent. You have to turn the child, for instance. They're working with their hands and they're working with their limbs and things.

1520

Can you understand in the community how people say: "Obviously you people in Toronto"—and when I say "you," that's me as well—"you people who are in charge of this area have really missed out on what's going on. While you squabble over whether it's the Ministry of Education that provides attendant care or while you

squabble over whether it's Health that goes into the home, my child is atrophying in terms of the skills they were about to embark on just before they got moved from one place to another or as the money runs out"?

There has been a request, but you can't count on volunteers to come in and deliver special-needs rehab. So the children's service end of it is so desperately in need of somebody to pick up the mantle and I guess because of the requirements, it seems to me the mandate of Community and Social Services in so many areas to have the child at the centre of their service delivery and almost their legislative situation—for instance, if I left my child at home sitting in a chair unattended, or something similar to that, you would have the children's aid society go in and say I'd abandoned that child. But when the parent can't provide those services for the child, isn't that child in need of protection, in a sense? It's not that they've abandoned the child, it's just that nothing is happening for that child, and that's problematic for the mother in this case; well, the parents and her brothers and sisters.

Hon Mr Silipo: I think the situation you've just described has got to be one of the most frightening and frustrating kinds of situations. I tell you that there are days on which I feel that in a very, very real way because I know, and I think we all know as legislators and as people who one way or another have been dealing with these kinds of issues, what needs to happen.

We say the commonsense approach would be to say you just provide the service and that's it. That's the direction again that I think all of us—I'm not talking now even about ministries but just generally, we're seeing that people are at least opening their minds to the fact that this is the way in which the system overall in terms of providing services for children has to work. We have a long way to go and I think we have to just be clear about that. We haven't resolved all of these problems yet.

They're problems that clearly have become perhaps even more acute over the last few years as a result again of the lack of the finances that we had in the past. It just means that all of the work we're doing, whether it's in the children's policy framework, whether it's in the developmental services framework, all of that, these are all nice-sounding words and important words, but really what we're talking about through all of these is saying, "We've got to strip some of these labels away and we've got to provide a lot more flexibility to be able to assist parents to take care of their kids if that's the way in which they believe they can do the job."

It's the same situation we have when we're dealing with developmental services or people who have a need as a result of an accident. It's one and the same in terms of saying there's got to be a whole array of services there, and then the system's got to be flexible enough to say to the parent: "Okay, what is it that you need? How can we be of some help to you within that?"

Mr Elston: Minister, maybe it's not even the need to have a whole array of services available, maybe it's having a policy of having financial support available to access services. It seems to me there are a number of areas out there in which your ministry doesn't have to

have an array of services available, but you do have to have a support mechanism, because there are a whole series of deliverers out there.

These people, if they had more money, probably could afford to bring someone in. You know what I mean? But they don't have more money, and the real world for them is, "We don't have money and our daughter isn't getting care," and they don't want to abandon her and they don't want to see her go into an institution, and what's happening?

Well, what's happening is right now they are very exhausted by the process that they've been trying to administer themselves. They're very concerned that they're losing a struggle to help reinvigorate their daughter's life, and I think we shouldn't worry so much about the programs so much as we worry about the application of funding to support a good outcome, and if we could look at it more from that way, I think that might be quite helpful for us.

Hon Mr Silipo: I don't disagree with you but the problem that we also have is that we also don't always have the money, and I think that's—we need to be very honest about that as well.

Mr Elston: That sort of takes me to my next question which—

Hon Mr Silipo: We all would like to have more money but we don't.

Mr Elston: —which in a way is a bit of a tease, I guess, but basically my one question really is, and it comes out of the description of the operation of children's services. For instance, the mandates, if I'm at a CAS office, I am required to do (a), (b), (c), (d). I've been to meetings with the societies up home, and they say "We can't get to (e) because we run out halfway through (c), and we're being asked to do our mandate."

What do they do? Do they go to your various district offices and say—because they have tried to do this in terms of budgets. Last year's budget approval system was abysmal in the sense of turnaround times and things, and people didn't have the money to carry out all of their legislated mandates. Do they come to you and say, "We don't have the money for our legislated mandate"?

They were holding their fund raisers. They were having bake sales, by the way. They were baking tea biscuits and they were selling cookies.

Mr Jackson: Collecting Club Z points like one of mine was?

Mr Elston: They were doing the whole thing, but you know you can't run it on that, and you can't wait for the bingo money to come in because they do have to apprehend children in need, and they do have to provide surveillance because when the judges in the family courts, provincial court (family division), make their request to have somebody intervene, you got to do it. What do they do?

Hon Mr Silipo: Again it depends on the particular situation. Certainly there is, as you know, beyond the base funding that societies have, there is a fund of money that we have which provides annualized funding to societies under the exceptional circumstances review that

goes on, in which we try to deal year by year with these kinds of particular problems and situations that exist. Beyond even that, part of the answer has to be in the way in which societies in this case fulfil even their legal obligations, and there is no one fixed way in which they do that.

What we're trying to do is to get societies, and I think we've done some good work with the Ontario Association of Children's Aid Societies, to look even at what can be done through better training of workers in the system, through for example, how do you provide in a better way such things as foster care? As one director of a society I recall was telling me, we have a problem in the way in which we have some requirements in the system which is that we don't fund those services sometimes until the young person is actually in foster care, whereas what they were proposing in that instance was if they had the flexibility to be able to have one of their foster parents work with the birth parents of the kids in their own homes, they felt that they could actually get further.

Our job, I think, is to make those things possible, so that the society is able to fulfil its legal obligations but do it in a way that costs everybody less money and gets the job done as effectively, if not better in fact in some of these cases. So I think that there's a great deal of learning that's going on on both ends, both from our side as a ministry in terms of what we have to do around providing more flexibility in the rules that we have, and the expectations that we set for societies and how they fulfil their legal obligations, and also the way in which societies go about doing their job.

I don't pretend that the answers are easy or that we've got them all. We don't, but those are the efforts that we're trying to make.

Mr Elston: Have any societies written to you to advise that their ability to fulfil their legal, mandated obligations have been compromised?

Hon Mr Silipo: I think that there have been a number of societies who have made that argument to us. I think that I don't—

Mr Elston: And you disagreed?

Hon Mr Silipo: Well, I think that there's been some level of disagreement in terms of the discussions that have gone on between our officials and those particular societies, and that gets worked out.

1530

Mr Elston: So basically you're telling us, while they take a look at their budgeting, your decision, ie, the ministry's central decision, is going to override what they do in terms of their priority-setting and their application of the money to the areas that they feel they need service.

Hon Mr Silipo: Yes and no, because at the end of the day, we haven't had a society yet that has said to us, "Here are the keys; we can't do the job." What we've had are a number of societies that have said, "We're having a hard time with this," but then I think you and I know that we have a lot of organizations, whether they're dealing with children or anyone else in our society, that are saying, "We have a hard time dealing with this." As

a ministry, we have a hard time dealing with any number of issues.

Mr Elston: Minister, what you've described, these are classical, difficult public policy questions where a little bit more money would help, although a little bit more money would probably mean you'd have a little bit more paper on your desk asking for a little more flexibility. What's your view right now on the adequacy of the level of funding in community and social services to carry out your mandates? Are you happy with the budget?

Hon Mr Silipo: What a question.

Mr Elston: That's what I thought.

Hon Mr Silipo: I'm not sure that I've ever had enough money to do all the things that I would have wanted to do, whether it's in this ministry or other ministries or even in anything else that I've done. More seriously: Sure, we could all use more money, but we don't have it, and what that means is that we have to do the very best that we can with the money that we do have. I think, also, if I can just for a second—

Mr Elston: Sure.

Hon Mr Silipo: You said something close to this earlier on, which is that I'm not sure that just having a little bit more money would necessarily resolve our problems, because I think that we do have—and in a way, it's kind of ironic that it's taken the fiscal situation that we've been going through to really bring to the fore problems that we know have existed in the system for many years. And whoever of us has been in government, I think, has tried to deal with these. We can argue about whether we've done an effective job or not, but I think we probably all agree that there's a lot more that we can do. We can have an argument about whether having a little bit more money would help. Sure, it would help. But would it resolve the big, fundamental problems that we have, whether it's in children's services or anywhere else? I don't think so, not by itself.

Mr Elston: So looking at this subjectively, from the outside in, obviously it would make your job easier as minister; it would make anybody's job easier. But in any event, the work that you do is in my view extremely essential. I guess a question that every ministry asks themselves these days is, how do we do it better and how do we tighten up?

But in looking at a couple of proposals for government application of funding to this ministry, one in particular which has said that they will cut 20% off overall government spending, but no expenditure cuts in health care, no expenditure cuts in law enforcement and no expenditure cuts in classroom education, which sort of exempts about, we'll say, 65% of the provincial budget, it means for community and social services probably a cut of about 60% in your operating budget and in your transfer budgets. Can you live with that and get anywhere close to doing your work?

Hon Mr Silipo: No, this is actually one of the areas where you and I would agree that the view expressed by our Conservative colleagues on that front would only make the situation that we have much, much worse.

Mr Elston: In fact, intolerable for people with

disabled children, for people who are working in the child protection end of your mandate, for people who do the review of welfare assistance and other programs. Isn't that right?

Hon Mr Silipo: That's right.

Mr Elston: So in actual fact, the Ministry of Community and Social Services would cease effectively to operate if you had to go through a rigorous slashing of your budget like that?

Hon Mr Silipo: It would put us, I think, in a pretty serious straitjacket. We have been, as a government, I think, very sensitive to the needs, not of the ministry, but of the people that we serve in this ministry. And I think if you look proportionately at where we've made the cuts, we have tried—and I haven't had to argue very hard with my cabinet colleagues on this—to protect very much the services that we provide and the funding that we have therefore as a ministry. So to be looking at those kinds of cuts, we know would cause havoc in the system.

Mr Elston: I'm interested, I guess, overall, in the long-term health of this particular ministry, and obviously there are some really crucial things that have to be done to make sure that you can stabilize a whole series of concerns. I was the Minister of Health when we had a very difficult discussion, I think maybe Mr Jackson was involved in it in a couple of places, where we were talking about children's mental health, an issue where the Ministry of Health couldn't, with the Ministry of Community and Social Services, deal with the problem effectively, and we lost people. We effectively did not provide service. We just went through the children-with-special-needs issue, where children are losing out on services now.

I can recite the long-term care proposal in which we tried, as result of some disagreements, to bridge that gap by making one person with a position in two ministries to try and overcome that. We haven't effectively done that yet.

Can you tell us, in the short term, what you're doing to try and eliminate those gaps or those inabilities of government to bridge the gaps in both philosophy and in service? Again, when we get right down to it, it's actually service that we're sacrificing, and men and women, boys and girls, who actually go without the needs that are required, while we fight internally.

Hon Mr Silipo: In the short term the vehicle, and I think even in the longer term, is through the children's policy framework. I know that sometimes that just sounds like we're just laying down another piece of bureaucratized into the system. But it really is, from what I've seen and from the discussions that I've had with people locally across the province on this, a useful vehicle to get people together and to start to break some of those barriers that have been built up over the years.

Over the longer term what I would add is to go back to a question that was being asked earlier by one of our other colleagues, is that I think that there are going to have to be some changes done at the centre in terms of a realignment of some of those services. But I think for that to happen there has to be a real understanding at the

community level about that need right throughout the system, which is why I think that the children's policy framework, beyond getting some good changes in services at the local level, which I think it is doing and we'll do more in the next couple of years as it actually gets significantly more implemented across the province, it will also point, as will experiences like the Better Beginnings projects, to what things we need to do in a more consistent fashion; no longer as pilots across the province, but more as a practice across the province, and I think that that's what's coming.

Mr Elston: One of the concerns I have—always had, I guess, since I've been here now through three different political administrations—is that when the guidelines are established for funding programs, when the comparators are established for efficiency of delivery inside ministries, including yours, we tend to adopt unrealistic benchmarks for our rural areas.

I've just gone through a bit of a fight with the Solicitor General on funding sexual assault centres for women in Grey-Bruce. I haven't been successful. I guess I'm not finished with it yet. But the criteria established meant that the program which was asked to be designed and which people spent a lot of time dealing with, yielded only about a quarter—maybe it was a little bit more than half, sorry—of the money that was required even to get close. Which meant they weren't delivering a service at all because there's a long area to travel from Markdale to Thornbury or from Owen Sound to Amberley or from Tobermory to Belmore.

They say, "You design a program that will work and then we'll fund it." Well, when the funding comes out, "You don't meet the criteria and as a result, you can't have satellites in." The same thing is happening with respect to long-term care and the manner in which funding has occurred to deliver services. You require people to drive 50 or 60 minutes to see a client and then you say, "Your level of efficiency of delivery of that service means that you are performing poorly in regard to the overall requirements."

1540

What are you doing, in the Ministry of Community and Social Services, to set reasonable standards that can be actually achieved and service still delivered out in rural Ontario? Because that is a really big issue for those of us who have pretty long areas to serve with populations spread out over the back roads, so to speak.

Hon Mr Silipo: I'm told we just have about a minute or so, so I'll try to be quick.

Part of what I think—what I know, not just what I think—what I know is coming and we're continuing to build on as part of the realignment of the ministry, is in fact a much stronger relationship between the area offices that we have throughout the province and the central office of the ministry. We've removed the intermediate barrier of the regional offices.

One of the things that that's doing is, it's putting our area offices, our area managers particularly, who know the needs across the province—rural, urban etc, wherever they may be—directly in at the decision-making table

with our ADMs. I think that's going to be probably one of the more significant ways in which we will get some of these issues addressed.

Again, as we design policies we know that we have to be sensitive to those needs. By way of example only, and as we put in place JobLink, which will include your own area of the province, we know when we deal there with the funding distribution that we have to take into account that if we're talking about supporting people, for example, with transportation costs, it's a very different issue if you're trying to support people with transportation costs in Grey-Bruce than if they're in Metropolitan Toronto. So I think the funding mechanisms have to be flexible enough to take those things into account.

Mr Jackson: Since we were in the area of children's aid societies, perhaps I could ask which staff member here today is responsible. Is it Sue with respect to programs for the children's aid societies?

Ms Lucille Roch: I'm Lucille Roch, the ADM for children, family and community services. I guess Sue and I kind of share responsibility for children's aid societies.

Mr Jackson: Great. Feel free to share this question. Could you enlighten me as to what is the legal requirement under the act in terms of children at risk? Take an example of children who are potentially at risk for physical abuse: What does the legislation say is the party in society who's legally responsible to protect that child? What does the legislation currently say?

Ms Roch: I think we'd be in a better position if we went back to the act. We don't have a copy of the act in front of us here.

Mr Jackson: Sue, can you help?

Mrs Herbert: I can't quote the act. I'd be paraphrasing it. I'd prefer to use the act as well.

Mr Jackson: Well, what's your working understanding of who's liable? I'm asking you like a legal question, not this legalese reference to the act. What assumptions are you working on? Who's legally liable, the children's aid society or the province of Ontario as defined by the legislation, to protect children?

Mrs Herbert: Cam, I'm not sure that I understood the question fully, but the CAS, through the vehicle of the legislation, is liable. By liable, I mean has the mandate and has the responsibility to protect children.

Mr Jackson: Okay. And who monitors the CASs?

Mrs Herbert: The minister.

Mr Jackson: Okay. So the minister is responsible for making sure that the law is upheld and the minister is also, in almost 100% terms, the funding responsibility to ensure that that law is upheld?

Mrs Herbert: And as well we have the court. So the decision about the disposition of the child's status within society is made by the courts.

Mr Jackson: But that's an arbitration process more than it is the concept of protection. Protection is there and the requirement to go to court is only when that authority is being challenged or modified in any fashion.

Mrs Herbert: It defines the nature of the CAS's responsibility for the child. So if we think about whether

it is society wardship or crown wardship, whether the child is placed under a supervision order, all of those things are defined by the court.

Mr Jackson: Yes, that's defining the status—

Mrs Herbert: And then it has an implication on the nature of the CAS's involvement with the child.

Mr Jackson: Given that there is this legal requirement, can you indicate to me how it's possible in the framework of the social contract and/or the expenditure control plan that with a growing number of vulnerable children requiring protection, we're able to provide the same level of service with the reduction in the funding base? How is it that we're able to do that? How do we instruct the children's aid societies with a broad range of mandates to make sure they are protecting these, for want of another word, most vulnerable?

Hon Mr Silipo: Let me begin on that one, Mr Jackson, because I think what you're raising is a broader policy issue. Under the social contract, as you're well aware, we arrived in the community services sector at an agreement within the sector which essentially meant that people agreed that they would be able to find the savings targeted, the \$10 million a year targeted, through ways other than having to reduce staffing and having to resort to layoffs, essentially.

Mr Jackson: Did you get that in writing, Minister? And who specifically are you saying? This is your ministry staff, or are you saying CASs, for example? So did the CASs inform you informally or did they put this in writing that they were able to meet the reductions?

Hon Mr Silipo: You should take a look at the words of the agreement itself, which I think talk very clearly about being able to arrive at those savings in a way that would not affect the services and would not affect their ability to do the jobs they have to do.

Mr Jackson: Now, the CASs as the employer, or the employees through their collective bargaining arm?

Hon Mr Silipo: Clearly at the table, although not everyone was represented, there were representatives of the CASs among others as employers and representatives of employee groups.

Mr Jackson: So who from the CAS would have signed that document on their behalf to give you the assurances that none of these cuts would result?

Hon Mr Silipo: It was done through the umbrella organizations, so I believe the Ontario Association of Children's Aid Societies was one of the signatories to that piece of the social contract.

Mr Jackson: Perhaps you could advise me who was the individual for the CASs who assumed that legal point, that legal posture, before the minister of the day. Because that's an assumption of a legal assurance.

Ms Roch: All I can say is that Mary McConville, the executive director of the OACAS, was at the table and was a signatory to the agreement.

Mr Jackson: The next part of my question has to do with—actually, before we get off on to the social contract, I wanted to get into this issue. The expenditure control and social contract cuts represent approximately

\$1.5 million over three years to, and I'm going to use this example, the Children's Aid Society of Metropolitan Toronto. I'm reading from a letter addressed to David Johnson, my colleague, who happens to be in the Chair at the moment, and he has afforded me considerable correspondence in his ongoing concerns with funding for Metro Toronto children's aid.

My understanding is that Metro children's aid has a substantive deficit at the moment and is carrying it forward in spite of these reductions. There's one in particular perhaps we could have a look at. Perhaps the minister or appropriate staff could assist us by referring to the modifications that the minister may have considered for 1993. But you're still on target for 1994 and 1995 with the expenditure control plan and social contract. The original plan reductions of \$8.9 million in 1993 and \$13.7 million annually in 1994 and 1995 were contemplated.

The letter goes on to suggest that you've modified the 1993 target down to \$3.75 million, but you are still on target for 1994 and 1995. Can you confirm that bit of information to this committee?

Hon Mr Silipo: There was a decision and correspondence subsequent to that which indicated that we modified the target for 1994-95 to about half the original amount, roughly.

1550

Ms Roch: The current reduction plan for 1994-95 is 0.5%.

Mr Jackson: I'm dealing in millions here. Help me out.

Hon Mr Silipo: Overall, it's about half of the original target. It's about \$7 million.

Mr Jackson: Let's not play with a base here. I've got \$13.7 million in 1994-95, so you're saying roughly \$6.5 million is their cut, instead of \$13.7 million.

Hon Mr Silipo: That's right.

Ms Roch: The \$6.5 million is the cut across all children's services, not just the Metro Toronto CAS.

Hon Mr Silipo: The situation is as follows. We have had that amount of money, the \$13.7 million, removed from our ministry budget, so that money is gone from our base at the ministry. What we've done in terms of dealing with it this year is that we have taken half of that amount—as I say, roughly \$7 million—and taken it out across the whole sector by applying a 0.5% reduction to every agency's budget, as opposed to what would have been about a 1% reduction if we had taken the full \$13.7 million. And then we still have, as a ministry, the task of finding the balance of the \$13.7 million. We're trying to do that through discussions with the societies and other agencies and trying to see if the money can be saved and can be found across the system as opposed to having to put an additional reduction against specific agency budgets. We're quite confident that we can do that.

Mr Jackson: Could we be more specific? Could you talk to us about the user fee imperative contributions and the clawbacks? Those are offensive words.

Hon Mr Silipo: Those have been removed from—

Mr Jackson: These are no longer there?

Hon Mr Silipo: No, those are there. The parental contributions are available to societies if they wish to use them as vehicles, but they're not mandated as things that they must do.

Mr Jackson: And the federal transfer moneys for—I always call it the baby bonus. I know I'm not supposed to call it that any more.

Hon Mr Silipo: No, that was also amended.

Mr Jackson: So you're not targeting that money any longer from agencies on the basis of the child's—

Hon Mr Silipo: Again, we're not calculating that in as part of the expectation with regard to agencies.

Mr Jackson: Okay. I received most recently the MCSS Restructuring Framework, late July 1994. I must confess it's a tough read. That's not surprising. It's a tough document when you're reorganizing your ministry.

When I talk to CASs in the field, they express concern about the current discussions around restructuring. Although I'm sort of tempted to tie this to estimates and say, "How much money are you anticipating saving and what is the basic nature of the restructuring?" perhaps the best reference is, what are the uncertainties or what are the legitimate or otherwise fears of the agencies with these reforms? I'm hearing a lot of concern with respect to the division of the policy framework and what issues are going to drive this restructuring.

I know this is not a particularly fun discussion to get into and it doesn't have "human resources" written all around it, but it actually is of major concern because within it lie messages about the direction government wishes to take its ministry. Within the policy framework around equity, I'm concerned about us moving so quickly or with so much emphasis in this area, given my question I just shared about the need within social services to maintain certain priorities for at-risk kids or high-at-risk kids. We don't have specific direction coming from this government to tell children's aid societies, "You must protect this group of your clients first, and then you have to protect this group in society second, and then if you've got any moneys left over, you protect this third group," in the context of the fiscal reality you find yourself in.

I just want to hear briefly, if I can, from the minister, if he can engage in a brief discussion about that concept, because I'm having trouble reconciling the direction the ministry may be going in if in fact you're not bringing forward legislation to further protect vulnerable children in the CFSA legislation. We're not entrenching special-needs definitions in CFSA legislation and I'm getting a little bit of uncertainty from staff about what the legal responsibilities really are. In my view, the least the government can do is to help agencies set priorities. If we're moving in the opposite direction, Minister, could you let us know why, and if we're not, for purposes of Hansard, let's calm down all the children's aid societies that are having some concerns about some of the mixed messages they're getting.

I can tell by the half-smile on your face you know what I'm talking about, but frankly I don't know where we're going with this and I'm uncomfortable. I kind of

like to know when a ministry starts moving in a specific policy direction in terms of how it's going to prioritize need. Is that clear enough?

Hon Mr Silipo: I think it is. I guess my answer to your comments will tell you whether it is or not.

First of all, when staff were trying to outline earlier, responding to your question around the legal responsibilities, as I heard the comments I think that you were asking really for some legal definitions, and I certainly understand people's hesitation to give you, as non-lawyers, legal definitions. Clearly, the law—

Mr Jackson: You're a lawyer. Could you help us?

Hon Mr Silipo: No. I'm a lawyer, but the one thing I'm clear about having to do is to not act as a lawyer when I'm sitting as a minister. I try to remember that.

Mr Jackson: It could have helped the Minister of Housing.

Hon Mr Silipo: I won't comment on that.

There is nothing in what we are doing, whether it's in the restructuring document that you refer to or in the children's policy framework where some of these issues are addressed perhaps even more specifically, given that we're dealing with children's aid societies in your question—there is nothing in either of those documents that does anything to diminish either the responsibility or the understanding that we have of the very particular role that children's aid societies have to play in the whole area of children's services; that is, the fact that they have some legal mandates that they have to fulfil. In fact, all of the planning and implementation of a more collaborative approach at the local level that we are encouraging and proposing under both of those documents clearly is also done on the basis of that recognition and that understanding.

We can talk, I think, a fair amount about how societies ought to go about fulfilling their legal mandates, let alone all of the other good things they do. I think it's fair to say, from even my limited knowledge of both the legalities and the non-legal areas here that we're talking about, that there is more than one way in which a particular mandate can be fulfilled. I think there are ways in which many of our societies are functioning which are very, very good, and there are things that some societies can learn from that. So part of the effort we are making is to get some of those best practices more utilized across the system.

But in that whole discussion we are very clear, and in our whole expectations as a ministry, as the overseers, as I think it was explained to you earlier and as you well know, that role that we have to oversee the work of children's aid societies in particular, the expectation that we have always had, continues, which is that they fulfil their legal mandate.

There is nothing afoot to try to change that. What there is is a real effort on behalf of the ministry to try to get societies to work with other agencies in the children's sector to say there can be certainly better ways of fulfilling the collective mandates that all of those agencies have towards children and there may even be better ways in which children's aid societies can fulfil

their legal mandates, and those are issues that people need to continue to look at.

1600

Mr Jackson: Your economic adjustments to municipalities, universities, schools and hospitals, and then you have your economic adjustments that you give to CASs through the Ministry of Community and Social Services: What approximate percentage are you looking at in your 1994-95 budget as your adjustment? Or is that specifically scripted by the social contract and not by anything else?

Hon Mr Silipo: Essentially what we are doing in 1994-95 is that there is no increase, as there is no increase to any of the other sectors that you've described, and there is the application of the expenditure control measure that we've been discussing.

Mr Jackson: So are you using the exceptional circumstances review fund as your vehicle to ensure that children's aid societies have enough additional revenues, because that vehicle you have at your disposal?

Hon Mr Silipo: That is a fund that we do have at our disposal, which I believe by this year now totals about \$30 million, because there's been—

Mr Jackson: Is it possible to get the most current—these are all moving numbers over the last three years by virtue of the initial announcement of the cutbacks and the phase-out. Could we get this year's? I checked with the children's aid society early this morning and they had not signed off their 1993 year in terms of their funding. I just don't want to put it on the record, but I'll give it to you. And they're still in negotiations with their 1994 year, which is understandable.

Hon Mr Silipo: Yes. The 1993 issue is puzzling.

Mr Jackson: The 1993 year has not been resolved. I'm not saying all of them. I only checked with one today, but they've not closed off the 1993 year in terms of not just the exceptional circumstances review, but from the regional—the Mississauga office actually hadn't finalized that. Could we get those updated numbers for tomorrow? Because I certainly don't want to be working with numbers that show that your cuts were more severe than they really are.

Hon Mr Silipo: No. We'd be happy to. We just want to be clear on what numbers you are asking. Are you asking about the combined dollars that are now available under—

Mr Jackson: You have not phased out exceptional circumstances review funding.

Hon Mr Silipo: No, that is there.

Mr Jackson: You are not using the same formula and grant numbers that you announced two years ago when you put them on notice that you were cutting.

Hon Mr Silipo: No. We have a larger fund this year than we did last year that we use, and we also have broader criteria that we are using than we did last year and the year before. So we can provide both of those.

Mr Jackson: Could I get the various numbers about the CAS deficits and where these moneys have been applied in, say, the last two years, or what applications

are in right now? Because I don't know as if you've signed off all your 1994s.

Hon Mr Silipo: We wouldn't have.

Mr Jackson: No, I didn't think so at this point.

Hon Mr Silipo: We could probably provide you, with respect to 1994, certainly those that we have signed off on, as well as perhaps the requests. I presume that's information we can share in terms of requests societies have made.

Mrs Herbert: We would have the 1993 figures and know what the ECR amounts are or plan to be. Because it's an end-of-year adjustment, we will have some, such as the example you just gave, Mr Jackson, where we're still in negotiations or we may have an appeal. It can be a lengthy process.

For 1994 we're just in the process now of gathering that information because we still have a quarter of the year left to go, so we're doing what we call preliminary projections. It looks like we have about 30 CASs who have ECRs. We can give you the preliminary projections, but we won't have final figures until after we've done our reviews at the end of—well, it will be January or February now, because their books don't close until December 31.

Mr Jackson: CASs are on the calendar year, so it's like the school boards where there are practical problems associated with the government's fiscal year and the—

Hon Mr Silipo: Or theirs.

Mr Jackson: Well, I remember being in a room and having discussions with you in our Metro days.

Since this will represent my last opportunity for questioning today, I'd like to put on the record a series of questions with respect to social assistance. Many of these questions you've seen before, Minister, as order papers or whatever, but if I could leave those and they could be circulated to the appropriate staff and, to the extent that it's possible, get early responses and, failing that, later responses, that would be helpful.

Could I serve notice that I have an interest, if we could, in getting into speech-language support services through your ministry and the triministry review that's been going on for I think now upwards of two years. Could we have someone come forward to give us a report on that?

I had occasion to check with legislative research to find out how we were delivering these services across Canada, and we are one of only three provinces that even get involved with three different ministries. Some provinces have clearly refined this to a one-ministry delivery mechanism. I think we have to bite the bullet and make a tough decision here.

I'm seeing a large number of children in my community caught here badly. My local hospital, because of its own cuts, abandoned 130 children who were to get pre-school speech-language supports. I've referred to it in my opening comments, but the fine point in all of that is that these families are in dire straits and there's no delivery.

The school board, the other part of this equation, has said, "Look, they're not our responsibility either," even

though we're taking children at three to five years of age, depending upon which system you're in and whether they have junior kindergarten or whether kindergarten is being implemented without it being optional.

So, Minister, I guess what I'm saying is that once I got into this issue, as the crisis arose in my community, everybody said, "Check the other ministry." In the meantime, I'd like a report. No one can tell me who's got lead responsibility, so it would be a huge victory for understanding here if we could find out which minister is responsible for resolving this in Ontario, how frequently this committee has been meeting and what resolutions, if any, have been achieved.

It strikes me that it's a moral offence that we have millions of dollars to teach children third-language instruction in our elementary schools but we don't have moneys to help a four-year-old to speak even to the level of a two-year-old prior to their arrival in our school system. This seriously affects their ability to learn, to socialize, to function in a normal way within the community of their family and the broader community, and here we are denying these services by virtue of, "If you're rich in Ontario, you can buy the service, but if you're not, you have to be on social assistance and get into day care, and then we can provide it to you." That's how we've been doing it, and that's not an appropriate vehicle, to try to get people on welfare so their child can get access to the service.

Somehow we've got to deal with this, Minister, and I'm looking to you, as I asked the Minister of Health, who gave me a blank look. I suspect you'll give me a straight answer as soon as your staff tell you what we're doing, but I really would like to devote some more time to this, which the Chairman won't give me because my time has just come to an end.

The Acting Chair: Almost. You can have a couple of minutes' response.

Hon Mr Silipo: To do this the kind of justice that you want and we agree needs to be, perhaps if we come back to this tomorrow, we can spend a bit more time on it.

Mr Jackson: Thank you. I'll serve notice of one final item, then. I mentioned earlier that I would like to find, if I can, any discussions about the Ontario drug benefit extension to social assistance recipients. I don't wish to get into the politics of the tradeoff with senior citizens and user fees. How the government would have financed it is not the issue for the debate; I'd like to leave that aside. However, I would like to ask you, if you felt it was that important, then what are you doing about it?

Whatever happened in cabinet, to say it had to be a tradeoff with seniors, I don't want to get into that, because it's not happening. What I would like to know is, if it was so valid a policy option, why has it died? What were the costings of it? Are there any plans to consider expansion of those benefits to the working poor in any form? If there aren't, that's fine too, but I'm sure they would find their way somewhere into your estimates if there were any of those plans.

Hon Mr Silipo: We can provide you with some

additional information that addresses the array of questions that you posed on that, but let me just say to you that the basic answer is that we're not proceeding with it. We're not proceeding with it essentially because of the cost.

Mr Jackson: That's the full range, like dental, optical, drug? There's the whole series of things that we were looking at. Okay, thank you very much.

1610

Mr Hope: First of all, some of the questions I wish to focus on—because it was brought up in the opening remarks by the Conservative Party about the themes that were there and a reference to the federal-municipal governments in cooperation or lack of support, and I think it's important because, as I make reference to page 35 of the estimates book, which deals with unemployment insurance changes, I'm just curious about the amount that's allocated there, which is a cost that's now also going to be associated with our government. I'm just wondering what the unemployment insurance changes are. Is it some current law that's been changed by the federal government in order to impact our budget the way it has?

First of all, they're reducing the transfers, or the inadequacy of transfers to us in the first place for social assistance, but I also notice in the estimates on page 35 that there is an unemployment insurance change in dollar allotment there. I'm just wondering if there is an explanation of why that's there.

Hon Mr Silipo: I'm sure there's an explanation. I don't see this item on the page.

Mrs O'Neill: I think it's under "Changes from 1993-94."

Hon Mr Silipo: Okay, I was looking at the top. The unemployment insurance? Sorry, yes, this is one that I talked about; I should know it. We were talking about this issue earlier. I think Mrs O'Neill was commenting earlier about the increase in the social assistance budget. The unemployment insurance changes that we have here, \$101 million, account for a good chunk of that increase.

Part of the changes, to the tune of I think some \$60 million, if memory serves me correctly, by the federal Conservative government and further changes to the tune of an additional \$40 million from the last federal budget by the federal Liberal government, combined those are, in effect, a series of steps that tighten up eligibility to unemployment insurance and result in people becoming eligible for social assistance earlier than they would otherwise be. The cost to the social assistance system in the 1994-95 fiscal year would be \$101 million.

Mr Hope: Okay, the other part of the presentation which was made by the Liberal Party talked about the issue of accountability, not believing we're doing the right thing. The questions I want to focus on are the accountability in the developmental services area. I guess my understanding is, and what I would like to know is, why has the ministry undertaken a DS accountability project?

I'm listening to the debate today focus on the issue of this ministry, and I remember your statement at the

beginning talked about the amount of agencies that were out there, and I hear the Conservatives talked about the agencies like the CAS blaming somebody else for them now having to be financially accountable; you know, the cash cow that's no longer there is the provincial government. I must ask, why has the ministry undertaken the DS accountability project?

Hon Mr Silipo: I think we felt for some time that we needed to have some mechanisms in the system that allowed us to measure how money was being spent and how effectively money was being spent against some clearly stated criteria for meeting a variety of needs, particularly within the disability services area, where we spend as much money as we do. We spend a lot of money in the rest of the services as well, but we started with that area because of the large amounts of money and also because of the sense that we had to be clear about a mechanism to use that measured how effective agencies were being in delivering services to people with developmental services.

So that project really has that as its key purpose, to provide us with a set of tools that we can use to say: "This is the level of service that should be provided. This is how it's being provided. How do the two things mesh?" Again, in order for it to be a useful tool, we clearly are working it out with the agencies that are involved and with the consumers. With their combined input and the people who work in the system, I think we can get to a tool that will help us to be able to measure how wisely we're spending the dollars that we are.

Mr Hope: Then what would be the status of that project?

Hon Mr Silipo: In terms of where we are at this point with that, perhaps staff could comment. One of the things that I would say, as Brian Low is coming to the table, is that we see this as being an important piece of the developmental services framework that we are now developing as the next stage of the multi-year plan, and rather than a discrete project it will become one of the three areas that will be really at the basis of the direction for developmental services in the future. I think Brian can speak in more detail about that.

Mr Brian Low: Brian Low, director of developmental services branch. The accountability project has been involved for about the last two years and has a reference group that involves service providers across the province as well as labour representatives. The work to date has focused on identifying specific client outcomes and the management criteria through which we would measure whether or not those outcomes are achieved.

Where we are right now is that we are preparing to test and pilot test in three areas of the province the different criteria that we have established. This fall we will begin pilot tests in the areas of Timmins, Lanark county and Peterborough. This will inform us as to the effectiveness of the instruments that have been devised through this reference group and will then provide us with information around expanding that service to the rest of the province and the service system.

Mr Hope: Following up on the status, my other question is, what critical elements of the DS

accountability work? What are the critical elements?

Mr Low: What we're looking at are the management criteria, setting out specifically what the expectations are for the boards of directors and their responsibility within service delivery, what their obligation is in terms of service delivery. We will be looking at, as well, the individual service agreements that are established with individuals and the implementation of that process; as well, the financial governance that is included in the individual agreements that are held with each agency.

Mr Hope: My further question to that, and I'm still focusing on developmental services, is the issue of, is it the only area in the ministry where we're focusing on this type of approach for accountability? I look at the expenditures that are being presented today. There are a number of areas. This is one area where expenditures are increasing. We are continuing to transfer moneys out to the broader community, it's not all being kept in the walls of Queen's Park, contrary to what the opposition may say, but if we're being asked to be accountable here, I think there is a responsibility to be accountable there in order for us to prove just to the proper taxpayers of this community. Are we looking at further expansion of such a project to put accountability in place?

Mr Low: Certainly, we are.

Ms Proctor: In response to that, I was going to say that there's expansion, and I think there's something that can be said to that in respect to developmental services but also with respect to accountability in the other areas and the expansion beyond the development services, to think about that in the other program areas as well. Sue Herbert could speak to that point I think.

Mrs Herbert: The ministry has adopted fairly recently a broad approach to accountability. Where it's first being tested is in the developmental services area, but it's also part of the children's policy framework. So we have a fundamental approach to accountability, and then we're applying that same approach in all of our program areas, starting first with the pilots in developmental services, but it will be carried through from children's. I believe we also have one just under way—speaking for Lucille in her policy role—in the family violence area as well. So we're moving the same approach through all of our program areas, at a slightly different pace.

1620

Mr Hope: With implementing such a project as accountability, one of the issues and the elements around the social contract was not only wages but restructuring. I listened to the minister explain in his presentation today about the number of agencies we have out there and the fragmented services. The member for Bruce, Mr Elston, clearly indicated the frustration that a client has in order to obtain services in a community dealing with the children. With the innovation money that was announced, the \$6.8 million, how is it going to be used, and what restrictions are there with agencies to utilize and to access the \$6.8 million that you've put out, I guess as a carrot, to an approach of restructuring?

Hon Mr Silipo: What we're doing is we're using the innovation fund as a fund to help support the kind of

practice changes that we've been discussing all afternoon, whether that's in the developmental services area, in the children's services area or in any of the other areas of the ministry's work.

What we are looking for is really proposals that indicate willingness and efforts that people are prepared to make, agencies are prepared to make, to work together, to step outside of their own particular boundaries and to look at how they can not just better coordinate services but in effect better plan services so that there is removal of overlap and an approach to services that places the needs of whoever the client happens to be and strips away the labels, as we were discussing earlier in the exchange with Mr Elston, from whose responsibility it is to do what, and it gets us to a point of saying, "What can we be doing, and how can we be doing it better?" Those will be really, then, models that we can use throughout the province to encourage other agencies to do likewise.

Mr Hope: We're talking about saving money, and we're talking about working more effectively. I'm just looking through the questions Mr Jackson had just tabled, and it says, "How many children under three years of age are reliant on social assistance"—and he's got—"since 1990?" Most of the questions that are asked, from 21 to 38, are dealing with political manipulation for an upcoming potential election. I mean, these are the type of questions that are nothing more than rhetoric in dealing with the total issue that we're in here for, dealing with the estimates issues, and we're talking about making sure that we're spending money appropriately.

I just think it's important because these were tabled without being read into the record. When I read them into the record—and we were talking sincerely about some issues that affected people in our communities, and then I started glancing, because I thought maybe he would have some good questions that I could maybe ask for the record and the minister could possibly answer. When I start reading some of these questions, like "How many children under two years of age are reliant on social assistance (most recent month), how does this compare to September 1990?"—well, who was elected in September 1990? So the questions that Mr Jackson has laid before this table and before the ministry staff to work on, I find it ridiculous that such questions be put forward.

However, I want to talk about some questions around social assistance in the automation project that's out there. How is the \$171 million allocated to the ministry for the social assistance automation being used? I guess that is a concern and a question that a lot of people in our communities are asking, streamlining the administrative process. I would like to know, out of the moneys that are being allocated, how is it being used?

Hon Mr Silipo: Again, I'll make some general comments and ask Lynn MacDonald to provide a lot of the details; we can provide as many as you wish on this, because this is a scenario of tremendous work for the ministry.

The objective, as we discussed earlier, is to help us automate the system so that we can reduce a lot of the paperwork that goes on in the system and eliminate a lot of that and really be able to have a system that is better

run, more efficient, one that is more easily adaptable than the present system. Right now, whenever we look at making a change in the system, we have to think twice and three times because we're not sure that the system is capable of processing those changes, because of its age. More importantly than that, it will mean that it will free up a lot of staff time to be able to devote to the kinds of activities that I think we need to talk about more, around JobLink, for example, in terms of encouraging people to look at and plug into a number of activities to help them reconnect to the workforce. So it's going to help us in that significant way as well.

The work we are doing will mean we will add to the piloting that's already been going on over this year in Metropolitan Toronto, as we indicated earlier, with additional expansion of that into the Brampton area and into 30 other sites across the province during this year. The objective is to have the automation fully implemented over the next three years and to take it that way a chunk at a time, but a significant chunk at a time, and to make sure that we get to the point where we have a fully automated system across the province which will allow us to do not only the things that I've described but also will allow us to connect much more readily with other parts of government and indeed other provinces, subject always, of course, to the freedom of information issues that we're also in the process of working out. Lynn MacDonald can certainly give more details around the nuts and bolts of the initiative.

Ms MacDonald: Thank you, Minister. The social assistance automation project is, I must say, one of the largest that the Ontario public service has ever undertaken. It is a project which will see the integrated automation of a single uniform information system for use by all municipalities as well as all provincial offices right across the province. It will be providing an information system to over 7,000 workers altogether in over 160 sites, so it's an exceedingly complex project. We're dealing right now, as you know, with a split delivery system, as between the province and the municipalities, and there are probably no more than 300 to 400 computers in the entire system right now, so this is a very major undertaking and one which will have extensive benefits in terms of better customer service for our clients, but also in terms of administrative savings in time and in dollars.

The \$171 million will essentially do four things over the next several years. It will provide case worker technology for all workers, and that will be essentially automated case management tools for our workers across the province to use in dealing with clients, so they will no longer be running back and forth between big heaps of manuals in order to find the latest information for their clients. They can do an input of client data or an update of client data right on the spot. So that's the case worker technology component.

The second major component is to replace the brain behind the current automation system, which is affectionately known as CIMS, for comprehensive income maintenance system, and also to replace MAIN, for municipal assistance information network, which is the Metro Toronto current system. These are both old, large main-

frame-type systems. We are moving to a new, more decentralized what's called client service architecture, which means if one part of the system goes down the whole province isn't affected.

The third component is to explore new technologies, which we may be able to use to fundamentally rethink some of the ways in which we deliver social assistance in future, and some of those technologies could include—we're at a very exploratory nature at this point—card technologies or integrated voice data systems for imaging.

The fourth and final component is to provide integrated program and financial information systems to streamline the kind of cheque production and financial assistance that we provide through the system, and also to provide a better forecasting mechanism. So those are the four large components.

In terms of the actual breakdown of dollars which, I assume, you would like, Mr Hope, the overall project management for a very large project is in the nature of \$4 million. That is pretty small compared to most large information technology projects. However, it is large enough to ensure an effective change management process, recognizing the complexity of the process we're engaging in.

1630

There's about \$35 million for application development and maintenance, about \$74 million for implementation and office retrofit—I don't think these numbers add, but we can make them add for tomorrow. Then there's a lump of money that relates to ongoing support and maintenance beyond the actual implementation of the project.

Finally, there is a large amount of money associated with the actual acquisition of hardware, software and telecommunications devices across the province and that's in the order of \$60 million.

In total, I should note \$171 million to put technology on the desks of workers who currently have no modernized tools at their disposal whatsoever, either municipal or provincial, and to replace a terribly outmoded large and cranky current computer system which fails us with disturbing regularity. To provide training and ongoing support and maintenance in support of a \$6-billion program is, we think, a very modest investment.

Mr Hope: I was curious, and it's good that you brought it out, about the word "training." I was on the freedom of information and protection of privacy, and during that process we were talking about persons in social assistance in communities who still write the cheques by hand and still process everything by hand.

Moving up from still handwritten cheques into the computer technology age is going to be one transformation of lifestyle in a workplace. I'm hoping that we're going to be able to cope with those smaller communities that have been totally dependent on the handwriting process and handwriting accounting practices or whatever practices they do in the office to bring them up to speed with the new technology you're talking about. So it was good to hear that and I hope I heard you right. I heard you use the word "training," so I'm hoping in the allocation there is training available for those small rural

communities that are still back in handwritten cheques.

Ms MacDonald: Yes, indeed. In fact, that has been one of our largest preoccupations in going through the tendering process, to acquire a vendor of record who will be responsible for, in large measure, delivering on the implementation of this project.

Our concern has been to ensure that the vendor of record really understands the sensitivity of the training needs. We're dealing with people who, as you say, may have absolutely no computer expertise, may never have seen a computer, right up the spectrum to some who may be extremely sophisticated in their own individual approaches. We have devised a strategy that addresses that full spectrum of training needs for workers onsite and offsite. We will also be providing practice time and return visits by trainers to ensure that any problems that have arisen since the initial training can be addressed, and there'll be a hotline available to workers as well.

Mr Hope: Just out of curiosity, how much time?

The Acting Chair: About seven minutes.

Mr Hope: One of the issues that's been in the forefront for a lot of people, and it can probably be answered twofold: through the new allocation of money through technology, but also the other question which has been on the minds—and it's unfortunate that there is one political party that always seems to go out and preach about welfare fraud in our communities and talk about people on welfare making \$17.50 an hour—I would say if there was a Conservative member present, but there is one present, so I must indicate that.

I need to ask the ministry: Through the new technology and also currently, what have you done to cut down on fraud to its minute existence in our communities? It is there; we know it is there. How do we cut it down so it's obsolete in our communities? I just want to know what we have done to cut down on fraud in the social assistance system, because it was something that was also indicated in the auditor's report a number of years back and we had to deal with the whole issue of fraud. I'm just wondering what has been done today and what the future is. Does your new technology that we're spending \$171 million on deal with the issue also?

Ms MacDonald: I'll yield to my colleague Kevin Costante on the larger issue of fraud and fraud investigation.

In terms of the new technologies that we will be developing and implementing, certainly within the technology there is the capacity to do a better verification, a better matching of data right across the province, and remembering also between the general welfare assistance system and the family benefits allowance system. So part of the intent is to ensure that we have the capacity to do a much better, faster verification, a much better assessment of risk profiles and a much swifter follow-up than we've been able to do in the past.

But I must stress that we are introducing this project not solely from the point of view of fighting fraud but very largely driven by the desire to improve customer service and to improve the working life of our social assistance workers which, with their rapidly rising case

loads, has become exceedingly difficult.

Mr Costante: Minister, do you want me to—

Mr Hope: She's deferring part of the question.

Mr Costante: Kevin Costante, assistant deputy minister of social assistance and employment opportunities. In terms of dealing with the issue of fraud, the ministry, over the last two or three years, has introduced a number of new measures. First of all I think most recently of the minister's announcement, in March, of the case file investigation process where, over the next two years, both in the FBA and the GWA programs, we will be reviewing all the files to make sure that people who are truly in need are getting the benefits they deserve and that those who may not meet the qualifications are found out.

To assist in that process, we have provided our workers, both in FBA and GWA, with more stringent guidelines in terms of the eligibility rules and the proofs that we require to make sure that people are indeed eligible.

Again, I think in support of our overall direction on fraud, the ministry has significantly increased the number of eligibility review officers we have in the system who deal with specific instances where there's a suspicion of fraud. They go about an investigation, and if there is sufficient proof developed, they then turn those over to police to deal with through their processes in the courts.

I think another major element of the case file investigation process is, we have provided municipalities with funding to undertake similar investigations and increase their ability to seek out evidence of abuse. We've also introduced other things that will help cut down on fraud, such as direct banking, where people cannot claim to have lost a cheque and then get a cheque replacement. So things like that have occurred also.

In support of all of these efforts, we've also brought in an eligibility review database which will allow us to start tracking some of the cases that are going on here, the number of complaints and referrals and that sort of thing. That's kind of a brief overview of what's been going on.

Mr Hope: One of the other questions that has been brought up, and I guess not so much from the larger centres but from the smaller centres, smaller municipalities, is again still focusing around social assistance. Even on the freedom of information and protection of privacy, the question was brought up about councillors.

I remember this councillor coming into the committee like a full-blown report and had done everything and knew everything about everybody on welfare. It just kind of upset a lot of us. I guess my question would be, do you propose to stop municipal councillors from obtaining general welfare assistance clients' lists? That is an important thing for the protection of a lot privacy of individuals. I mean, the horror stories that were out there.

Before you answer the question, through that committee we heard horror stories of a person going to buy a chocolate bar and one of the councillors happened to know the individual was on social assistance and started saying: "Well, you shouldn't be buying that. You should be buying something else"—the infringement on an individual's life.

1640

Does the ministry propose to deal with this issue of making sure that general welfare assistance lists are not accessible to the councillors and people, elected officials of a municipality, to invoke their rights and privileges on an individual who happens to be in an uncertain circumstance of collecting social assistance?

The Acting Chair: If we could have a speedy response to that.

Hon Mr Silipo: I'll try, Mr Chair. We've taken some very clear positions on this to indicate that we don't think it's appropriate for councillors to have access to those lists. Certainly, in the case that we're probably all relatively familiar with, the issue of Lambton county, we've taken steps to enforce that position, even going to the point of saying that we would withhold, as we did in that case for a period of time, the transfer of funds until and unless that situation was rectified. That particular one was.

What I think we've learned that we need to do from that experience, just so that there is absolutely no doubt in anyone's mind about our intentions, our positions or the requirements of the laws and regulations of the province, we are going to be proceeding with some regulatory changes which will make it really clear, even more clear than we believe it already is, that there is to be absolutely no provision of these lists to councillors or other elected officials at any point in the process. The only people who are entitled to have access to the lists are those people who work in the system and need to have access to them for the purposes of providing service to people.

The Acting Chair: Thank you very much. Now we're back to the Liberal Party.

Mr Wiseman: Excuse me, Mr Chairman. With Mrs O'Neill's indulgence, if possible, could I have a follow-up to that?

The Acting Chair: Your time has expired. Could I put you down as the first questioner in the next time allotment? How's that? Mrs O'Neill.

Mrs O'Neill: I'll begin by saying to the minister that I really was very pleased to see the way he got personally involved in the instance he's just brought forward. It was a very difficult situation. The media got very involved and many people in the community did. It did take leadership and you showed it. We need to educate the public a little more about the rights of individuals who happen to be in difficult circumstances and I don't think we've done that broadly enough to this point.

I'm going to go now, in my logical way, to page 27, if I may. If I read your remarks over again, and listened to them this morning, Mr Minister, you seem to suggest that developmental services are a high priority with you, that they have taken a large portion of your budget and that you have been almost personally involved in the policy directions of the ministry there. But if I look at page 27, I see that we spent heavily in the actuals of 1993-94, more so than we had estimated we would, and now we're going back lower than the estimates of 1993-94.

I'm just wondering what programs have had to go, because I have never seen evidence, in my experience, that community programs are cheaper than facility programs. In fact, certainly in the transitional phase they seem to be more expensive. I just wonder what those general figures on page 27 are indicating.

Hon Mr Silipo: We can get into more detail if you wish, but overall the reduction has to do with the social contract targets that are there. As I say, we can go through each of the specific numbers if you wish us to.

Mrs O'Neill: Since it's a fair amount of money, in the tens of thousands of dollars, I would like to have a little more specifics. If we're going to know that you have taken developmental services as a priority, I think it should somehow be proven to us through these estimates, and this estimate seems to contradict that statement.

Hon Mr Silipo: Do you want us to that? I think we can do that now if you wish.

Mrs O'Neill: Oh, have you got it now? Well, if you have it now, or I can have it in the morning.

Hon Mr Silipo: Is it easier to come back to it?

Ms Proctor: No, it's fine today.

Hon Mr Silipo: We can do that now. Let's have that now, then.

Ms Proctor: We can speak to the breakdown in transfer payments and the difference there.

Mrs O'Neill: All right. Is it all social contract?

Mr David Cope: This is David Cope, the manager of estimates and allocations. The social contract applies to the direct operating part of the ministry and that is not part of the number that you were looking at. You were looking at transfer payments on page 27. Social contract applies to the direct operating portion, which is at the top of that page, not the developmental services.

The spending in 1993-94, you're worried about why that's going up and then going down. Well, there are transfers that happened within here. The actual extra spending was payments made under the down payment for proxy pay equity program. That's why the extra spending in 1993-94 over the estimates. Then the change, moving downward, is a reflection of the direction the minister spoke of, to move from facility delivery programs into the community, and we're in fact completing the MYP, the multi-year plan program by converting direct operating money into transfer payments.

Mrs O'Neill: So you are actually projecting that that's going to be a saving. You're suggesting that the moneys are going down because you're moving into community. I guess that isn't the way my mail reads because my mail is suggesting that when you move into community, you have the support systems or you don't have the support systems, and we are phasing out certain of the developmentally handicapped facilities.

Mr Cope: Can I add to that? The fact is that what you don't have reflected in the estimates for 1994-95 is the pay equity payment that will have to be made in-year again. It hasn't been built into our estimates, so what you'll find probably, if you were at this table next year

looking at next year's book, there'd be another \$20 million or \$30 million in pay equity payments that would come on top of that, which doesn't allow you to see the delivery of the program when you compare estimates to last year's actuals. It looks like a drop when in fact you're going to have to add numbers on.

Mrs O'Neill: All right. I guess it's more important to go into the body of this then to get to the real figures that I'm interested in. I had some trouble at the bottom of page 29, changes from 1993-94, when I compared the social assistance reform project there and then, if I go to page 35 in the same category, changes from 1993-94, social assistance reform is \$40 million on one page and \$3 million on the other page.

Can you tell me what the difference is in those two figures and what they include? One looks much more specific than the other. I thought the social assistance reform project was mainly, as I said earlier this morning, JobLink. What are these large amounts of money on page 29 and 35 paying for under social assistance reform?

Mr Cope: The numbers on page 29, which is under the program administration activity, are for the staffing and the delivery group that was put in place to look after social assistance reform in the social assistance and employment opportunities division. That's what this activity is.

Mrs O'Neill: Okay. Will we be able, in writing, to find out exactly what that social assistance reform is, because as we've said earlier this morning, JobLink is there. I think we all understand that quite well, and it's had a lot of profile. But the rest of the project, some of it I know is only in the negotiation stage with the federal government. Where is that project? It's a very high interest project, and it's had so many documents worked on and people are waiting to see what's going to happen to some of those recommendations. I think we need more specifics on that.

Hon Mr Silipo: We had actually indicated, as you may recall, Mrs O'Neill, some time ago, certainly a few months ago if not earlier, we had outlined in a public letter the specific pieces that we were and are proceeding on beyond JobLink. Those remain the initiatives that we are doing. We can list them again for you if you wish.

Mrs O'Neill: It might be helpful. We do get a fair amount of stuff around here. What about the \$40 million on page 35?

Hon Mr Silipo: That in effect would be the cost estimate that had been put into the ministry's budget for those initiatives that I've just described, as well as the technology: \$30 million of that I believe is around the technology, and that needs to be further explained.

Mrs O'Neill: The technology then—

Hon Mr Silipo: The case worker technology that we've been discussing earlier this afternoon.

Mrs O'Neill: Yes, but if you look up a little further in the changes from 1993-94, you've got case file investigation. Is that another extension—

Hon Mr Silipo: That's separate from the technology piece.

Mrs O'Neill: That was your announcement regarding,

as you called it earlier, "irregularities."

Hon Mr Silipo: Yes.

Mrs O'Neill: Okay. Just to refresh us, can you give us one or two of the social assistance things that you're actually doing there?

Hon Mr Silipo: Yes. One of the things that we are doing is looking at how we can be better marketing the STEP program and the things we need to do there. Another is to look at putting into the system a clear statement of principles and rights and responsibilities for both clients and workers.

1650

Mrs O'Neill: So this would be part of the student assistance?

Hon Mr Silipo: Exactly.

Mrs O'Neill: Okay. But you will provide that again, what you're actually doing.

Hon Mr Silipo: We can give you a complete list, yes.

Mrs O'Neill: And \$30 million of the \$40 million is actually for technology?

Hon Mr Silipo: That's right.

Mrs O'Neill: So those are really break-outs of the figures that we've just been given? Is that correct? Okay.

I have some trouble with the pay equity down payment on proxy being listed on page 29 as zero and zero, then further on pages 53 and 67—now this obviously is an accounting mechanism, but I'm just wondering why you're doing it this way, and then you're telling me that you haven't really got some of those folded in even to the figures of the estimates.

What are we doing here? Pages 53 and 67 have relatively large amounts for the pay equity and then nothing on this more general statement. Does this mean that no one in this area qualifies?

Mr Cope: Under that program, program administration, that's not delivery of transfer payments. That payment for pay equity down payment on proxy is for transfer payment organizations. Under this activity program administration, we don't fund that kind of thing there.

Mrs O'Neill: I just wanted to check that. If I may go back to page 35—most of my questions are going to be down here on the changes—social assistance workload, \$347 million. What is that including?

Ms Proctor: The social assistance workload number essentially refers to the additional cases coming into the system and adjustments based on the forecast for 1994-95. I think in terms of that process and the forecast, Kevin Costante can speak more to the adjustments that we make with respect to new cases.

Mrs O'Neill: You are suggesting that the eligibility review officers are in there too?

Hon Mr Silipo: No. I think these are just the case load forecasts.

Mrs O'Neill: That doesn't really fit the trends that we are into now. I think that some places you were projecting 4%, 3% and then the worst-case scenario was 7% increase in social assistance in different categories. Why

would you need that kind of money to front-end-load?

Hon Mr Silipo: This is a question that I can understand being there, because I could tell you that, again, I've asked this as well just in terms of my understanding of the numbers. It is in part because we're looking at estimates-to-estimates comparison. But there is a better and more detailed answer that Kevin can give on that.

Mr Costante: Kevin Costante, ADM, social assistance. Essentially what is embedded in there is the cost of allowances and benefits for individuals. The key element here is that year over year there has been an increase in the number of people on FBA and GWA. If I can read into the record and what those numbers are, near final numbers for 1993-94 is a case load figure of 668,936 and our forecast for the coming year is 688,151. This is the average monthly case load for the years, so what has happened essentially is the case load in social assistance peaked in March 1994 and has been coming down steadily since then. If you had taken last year's numbers, and I think I have them here—

Mrs O'Neill: So this is more a budget figure that may improve year-end?

Mr Costante: It may improve year-end. As we go into the fall particularly and see what happens with the case loads, we could be seeing some improvement based on the forecast.

Mrs O'Neill: If I just may go back then to another intervention that you made regarding reviewing all the files, I have a lot of difficulty with that project, because I think it's impossible and I don't think we should be uttering what we think is impossible. The change in case loads and the way people come in and out of the system, I find that that project in my mind is unrealistic.

I really think there must be, especially with the front-line workers, a knowledge of the people who are in some jeopardy for a longer period of time, and particularly with the FBA. I wonder if you have any strategies you're using, because I really don't think we will ever review every single file. Maybe you can convince me, but I don't think so.

Hon Mr Silipo: We intend to do it, and in order to do that, we've had to look obviously, as you point out, at the practicalities of doing that. We've set a two-year target for ourselves in which to accomplish that. We've obviously prioritized where we need to start and what we can leave to later times.

Again, Kevin can talk a little bit more about that and how that also meshes in with some of the other initiatives that we cluster under "enhanced verification," which really is a set of tools that we are using or a set of criteria that we are using as we are opening up new files. So we're trying to deal with the problem on that end as well.

Mr Costante: We have essentially two techniques that we intend to use as we review the files. Many municipal

ities in dealing with their social assistance case load already had systems in place where they would review cases that had been on their case load more than six months in some cases, and they were doing that anyway. We're simply encouraging those types of practices across the entire system. A lot of what we're talking about here is making sure there's a certain minimum standard of review. A lot of them already meet or exceed that standard and those who don't we'll of course be encouraging to meet them.

In terms of the FBA system, because it's sole-support parents largely and people who are disabled, they tend to be on the case load for a longer period of time. We wanted to make sure in our own provincially run system that they are indeed reviewed at least every two years, because people's circumstances change. With the rapid run-up in the case loads in the early 1990s, we weren't able to meet that standard often. So that is part of it.

Our second main strategy in order to assist people, and we've got a lot of positive feedback both from municipalities and our own staff on this, is that we have identified, with the help of auditors and what we've heard from other jurisdictions, what we have called a priority verification index, ie, a high-risk index.

We've told our workers to concentrate and we've actually given them printouts of cases to look at, where there are missing social insurance numbers, where there are two or more cases with the same phone number, where they have a very high income, where they have had five or more address changes in a year, where there are dependent children 16 years of age and over.

We know from experience that those tend to be the cases where there is abuse or misreporting, so we've provided that to our workers in order to concentrate in the first instance on the cases where we think the most opportunity is to find savings and to make sure that people are getting only what they deserve.

The Acting Chair: The hour being 5 o'clock, I think this would be an appropriate time to break. I've been asked to inform everyone here that total time today consumed is four hours and 43 minutes. That leaves four hours and 17 minutes tomorrow. That will be in room 151 tomorrow, not here.

Mrs O'Neill: How many minutes do I have in this round?

The Acting Chair: You have about 12 minutes left, and the total time tomorrow is four hours and 17 minutes.

Mr Hope: Will you be able to go into half-hour modules tomorrow?

The Acting Chair: I won't be here, so how you do it is up to you.

Mr Hope: That's okay with you.

The Acting Chair: It's okay whatever you do.

The committee adjourned at 1659.

CONTENTS

Tuesday 13 September 1994

Ministry of Community and Social Services E-573

Hon Tony Silipo, minister
Rosemary Proctor, deputy minister
Kevin Costante, assistant deputy minister, social assistance and employment opportunities
Sue Herbert, assistant deputy minister, program management
Lynn MacDonald, assistant deputy minister, corporate services division
Lucille Roch, assistant deputy minister, children, family and community services
Brian Low, director, developmental services branch
David Cope, manager, estimates and allocations

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

Vice-Chair / Vice-Président: Arnott, Ted (Wellington PC)

Acting Chairs / Présidents suppléants:

*Elston, Murray J. (Bruce L)

*Johnson, David (Don Mills PC)

Abel, Donald (Wentworth North/-Nord ND)

Carr, Gary (Oakville South/-Sud PC)

*Duignan, Noel (Halton North/-Nord ND)

Fletcher, Derek (Guelph ND)

Hayes, Pat (Essex-Kent ND)

*Lessard, Wayne (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

*Ramsay, David (Timiskaming L)

*Wiseman, Jim (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Hope, Randy R. (Chatham-Kent ND) for Mr Abel

Johnson, David (Don Mills PC) for Mr Arnott

Klopp, Paul (Huron ND) for Mr Hayes

MacKinnon, Ellen (Lambton ND) for Mr Fletcher

O'Neill, Yvonne (Ottawa-Rideau L) for Mr Mahoney

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



ISSN 1181-6465

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35^e législature

Official Report of Debates (Hansard)

Wednesday 14 September 1994

Journal des débats (Hansard)

Mercredi 14 septembre 1994

Standing committee on
estimates

Comité permanent des
budgets des dépenses

Ministry of Community
and Social Services

Ministère des Services sociaux
et communautaires

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 14 September 1994

Mercredi 14 septembre 1994

The committee met at 1011 in room 151.

MINISTRY OF COMMUNITY AND SOCIAL SERVICES

The Vice-Chair (Mr Ted Arnott): We are doing the estimates of the Ministry of Community and Social Services today. We are continuing in rotation. I believe Mrs O'Neill, for the Liberal Party, has approximately 12 minutes remaining in her presentation.

Mrs Yvonne O'Neill (Ottawa-Rideau): That's correct, thank you, Mr Chairman. I was promised at the end of day, but off the record—I just want to make sure that we're going to get a more complete answer on the figures on developmental services. Are those ready this morning? Do you want to look at those to start with?

Hon Tony Silipo (Minister of Community and Social Services): If you wish, we have them.

Mrs O'Neill: Maybe we can go back to page 27 and see what you have to say about the look of those figures.

Mr Cameron Jackson (Burlington South): Mr Chairman, excuse me for interrupting my colleague, but it would have been appropriate, perhaps, to ask if the ministry brought any written responses or any written statistics from the questions yesterday that they could circulate now. That would be helpful to both Mrs O'Neill and myself. I didn't mean to interrupt but it's customary to ask.

The Vice-Chair: Thank you for raising that matter, Mr Jackson. Deputy Minister.

Mrs Rosemary Proctor: We have a written response to two of the questions that were asked yesterday morning by Mrs O'Neill and we could provide those to the clerk at this point or enter them into the record whenever it's appropriate to do that. The rest of the material is being worked on and there may be some—

Mrs O'Neill: If you have them in writing maybe we could just have them passed, if you would have them copied by the clerk. Okay, let's go to the developmental services aspect on page 27 then.

Mr David Cope: I'm David Cope, manager of estimates and allocations. Just to introduce this, I think we need to be clear, you were asking questions on page 27 on developmental services.

Mrs O'Neill: Yes.

Mr Cope: If members would like to refer to page 93, that provides more detail on the program and shows, actually, an explanation of the different parts of that program and it might be more useful to reflect on that. I think Brian Low, the director of the developmental services branch—

Mrs O'Neill: I'm sorry, that's not the way I want to go.

Mr Cope: My apology then.

Mrs O'Neill: Yes, I'm very sorry. I only have one question on page 93. My question on page 27, and I just wanted to verify—the pay equity you said is included in the \$914 million, and then you said it will be included later and added on to \$893 million and that's what I want to know. Those figures—it looks like you are actually cutting from the program in the overall aspects and the minister said yesterday that program is a priority when he introduced his remarks.

It's just the look of this. I have studied page 93 quite closely and I don't have a lot of questions there, but I do want to know why this looks the way it does when we are not seeming to have this as a priority if the figures from this year look lower than the figures from last year.

Mr Cope: The only reason for referring to page 93 is that the bottom line of page 93 is in fact what you find on page 27 and it provides more explanation and detail about the program, which I think would help us provide you with the answer you're looking for.

Mrs O'Neill: Okay, as long as we're leading towards that direction, I will go for that.

Mr Cope: I think the person to answer that question would be the director of developmental services, Brian Low.

Mrs O'Neill: Okay. I don't want to spend a lot of time on detail, I want the overview, please.

Mr Brian Low: If I can respond to page 27 by looking at page 93, there are two figures that are important. The first is the direct operating costs which include the costs of operating our schedule 1 facilities. It'll be shown on page 93 that we demonstrate a reduction in costs of \$41 million. Those resources include resources that are redeployed or moved to the community, but they also include some of the cost reductions that would include pay equity payout and our social contract savings in our government-operated facilities. So those are for our government employees.

If I can refer you to the transfer payment section where it says total transfer payments, this refers to the minister's statement of our increased focus on community development. You can see that in the change we have increased by \$36,700,000, and that is particularly where our focus lies as we begin the transition of utilizing resources in facilities and moving them to the community.

Mrs O'Neill: Could you tell us a little bit more about the supportive services, which seems to be the area

you're going to increase the most. I'm sure it would be of the most interest to the community just what you're going to do there. You seem to be increasing that by \$12 million. I'm looking at page 93 now under transfer payments.

Mr Low: If I look at the supportive services, operating, that increased change from the 1993-94 estimates of \$26 million, page 100 talks about the supportive services and page 102 indicates the types of services that are included in that area. They include life skills, protective services, infant stimulation, parent relief, assessment services, family support worker programs, the special needs—

Mrs O'Neill: Mr Low, I really know that, but I would like to know where you're going to put your emphasis. Yesterday in the opening remarks of the minister he talked about 3,500 supportive jobs. I want to know what that means. I know these programs are all there, but the people out in the communities are really seeing cutbacks. Constantly in the House the minister—and I don't doubt he has some basis for it—continues to say this is a priority and he's adding to these services, but people do not see the transfer of the residential funds to the community; they just don't see it.

Hon Mr Silipo: Let me address that. I noted in my opening remarks, Mrs O'Neill, the fact that in this fiscal year we're transferring \$29 million from facility dollars to community supports. We took similar steps in the last fiscal year. Those numbers are there and they're real, and we have distribution of those dollars in terms of where they're going. As I indicated yesterday, over \$3 million is being added to the special services at home, others are for actual physical movement of people from facilities to community settings and, again, we can provide a breakdown of the balance, but it's all going in that direction.

To address your issue at a broader level as well, in the work we are doing now with developing the developmental services framework which, as I indicated yesterday, is the next stage in the multi-year plan, we've done I think a fair amount, to be fair, started by the previous government, your government, with the Challenges and Opportunities in 1987, which we've continued in a very significant way in terms of moving people from facilities and moving dollars from facilities to community placements.

What we are now seeing is an even greater emphasis being placed by people to want to have their children, particularly when we're talking about young people, served at home. There is continuing demand for us to expand the special services at home initiative, which we support and I support and which we expect very much to see from within the developmental services framework that we are developing to be a very key direction for us in the future as a ministry.

1020

Mrs O'Neill: That will be comforting to those who are interested in that. I guess, then, if I could just be very specific, what about the 3,500 jobs that you mentioned for this group?

Hon Mr Silipo: Those were the cumulative additional

jobs that have been created over the period—I believe the figures I used were from 1990-91 to the present, or if they went back further—

Mr Low: Through the term of the multi-year plan.

Hon Mr Silipo: Through the term of the multi-year plan. So since 1987 we have added some 10,000 spaces in the community settings, and we've added funding for 3,800 jobs to support those community settings, people working in group homes and other—

Mrs O'Neill: Is that in this year's budget or is that cumulative as well?

Hon Mr Silipo: That's the cumulative amount over that period of time.

Mrs O'Neill: Have you got any figures for this year? It's helpful for myself, and certainly those who are there, to know whether that's a priority and how much this government in this year is putting into that effort.

Hon Mr Silipo: I would say, and I'd ask Brian to comment in more detail, certainly if we are putting \$29 million more into community supports, that will generate some additional jobs, because that's the way in which people get the supports they need. I don't know that we have an exact number, but if we do we'd be happy to provide that.

Mr Low: Mrs O'Neill, the 3,800 positions that were reported are those positions of staff positions to support, so they were jobs that were generated in the community. Of the \$29 million, we do not have a figure right now. However, we can take an estimate in that we know our services are very labour-intensive and from our past history we could give you an estimate of the number of jobs that would be created within the community to support the developmental services from the \$29 million.

Mrs O'Neill: Okay. If you can get that, it would be helpful. If I may, then, Mr Chairman, with my few minutes left—

The Vice-Chair: You have about one minute.

Mrs O'Neill: I've only got one minute left on this particular round. Could I go back, then, to page 35 where we were and just place before you, and we will begin there the next time, the Jobs Ontario Training shortfall—what that figure means on page 35 under "changes from 93/94," Jobs Ontario Training shortfall.

Ms Proctor: We can come back to that if you want, or begin to speak to that now.

Hon Mr Silipo: Very briefly, in the time that's left, what I can tell you is that is in effect—as the Jobs Ontario Training dollars were being spent through the Ministry of Education and Training, we had obviously made some assumptions and calculations about what help that would be to us as a ministry in terms of reducing our expenditures on social assistance as people were moving into jobs. This dollar amount here reflects in effect the fact that in the beginning of Jobs Ontario, the Jobs Ontario Training program took off at a slower pace than we had anticipated originally, so those savings we had anticipated to the tune of \$66 million did not materialize; but likewise, if you had in front of you the estimates of the Ministry of Education and Training in savings, there would be a similar amount of money that would have

been saved—in other words, that hadn't been spent as quickly as they had anticipated, so it balances off.

Mrs O'Neill: Okay. We'll likely begin in that area at the next round.

The Vice-Chair: Thank you, Mrs O'Neil. That concludes the time for the Liberal caucus in this round. I now turn to the Conservative caucus.

Mr Jackson: On that point then, just how many jobs have you created that necessitates that figure?

Hon Mr Silipo: The Minister of Education and Training was providing an update yesterday on the Jobs Ontario Training and he indicated that we've reached over 60,000 jobs that have been created through Jobs Ontario Training.

Mr Jackson: No, I'm asking, Minister, those on social assistance, which is your responsibility—

Hon Mr Silipo: That's right.

Mr Jackson: You've expressed your concern that it got off to an awfully late start. I want to know how many successes you've put in your ministry in hard numbers. Surely you don't have to go to another ministry to find out how many people under your responsibility you helped.

Hon Mr Silipo: No, I don't, Mr Jackson.

Mr Jackson: That's what I was asking.

Hon Mr Silipo: And what I was about to tell you was that of those 60,000—I don't have the exact number, we can get it for you before the day is over—but the previous number I had was that over 19,000 people who were on social assistance had been placed in jobs through Jobs Ontario Training and that results in significant savings to us, again the amount of which we can provide to you.

Mr Jackson: Okay.

Hon Mr Silipo: Obviously, if we've reached 60,000, then that 19,000 figure will also be up because the track record has been roughly about—

Mr Jackson: You've given me an answer and you're going to give us an accurate statistic, not a guesstimate.

Hon Mr Silipo: We will do that.

Mr Jackson: I appreciate that. If I could ask Mr Low to come back, I'd like to inquire about some developmental services. I too was rather surprised to see the 10,000 figure of spaces over the life of your government, but I have to assume from that that if one of the 2,000 people who were taken out of Oxford centre, for example, and put into the community, put back into a home with their parents, it would be included in the 10,000 spaces in community living. Is that not correct? So someone returns, goes from an institution back under the care of the mother and the father or one living relative, and that's included in what you're saying is—you've helped create those community spaces?

Mr Low: It would only be included if that person partook of other services within the community. If they chose with their family to live at home and receive no services, then that would not be taking advantage of one of those spaces within the community.

Mr Jackson: How many individuals with develop-

mental disabilities do you believe have done that, left schedule 1 facilities in accordance with the multi-year plan, which is where you're getting predominantly this figure from?

Mr Low: How many people have left the facilities and lived at home with their family?

Mr Jackson: Who, by your definition, are receiving no additional supports from the government whatsoever.

Mr Low: I would suggest there are very few.

Mr Jackson: That's what I thought. How many would there be who are living at home and receiving some form of assistance? I want to be careful we don't confuse that we've created 10,000 independent living positions for developmentally disabled adults, when in fact we haven't created that many. The fact that many have just been told, "You have to take your family member home," period, end of sentence. "We're not transferring you to another facility and we have no facility for them." I have a list of families who requested independent community living, but that's not available to them.

Hon Mr Silipo: What that 10,000 figure is, Mr Jackson, as I think you well know, is a combination of—it overall represents the number of additional people who are being served through this ministry and its agencies.

Mr Jackson: I understand that, Minister. My question to Mr Low was very specific with respect to the breakout of those numbers. I would assume that for the multi-year plan, as we move people from institutional to community-based settings, we should be monitoring what actually constitutes community living so that we can determine quality-of-life issues and provide the necessary support. What I'm looking for is, do you keep important statistics such as that on how many would find themselves in an independent living situation, into a schedule 2-type facility in a community, which is residential in nature, or who have returned home? That's really what I'm asking and I'm asking that from staff, if you keep such a statistic and if you do, I'd certainly, along with the Ontario Association for Community Living, like to have a look at those numbers.

Mr Low: We do not keep a statistic on the number of people who would return home specifically. That would be something we could arrange. What we do keep statistics on are those people who go into service. We have the numbers, so it would be a manual breakout of that question.

One thing you mentioned was that people would be told there would be no community living situation and they would have to go to their home with their family. From our schedule 1 facilities, there is no individual who would be told they must return to their family. In fact, we would work with the family as part of the placement planning process to seek the best placement for them. There is no instance that I'm aware of, and I'm quite sure I would be aware, of any person being told that they must return to their family and that is the only option.

1030

Mr Jackson: How many residents were involved with the closing of the Oxford facility?

Mr Low: The Oxford facility is not closed as yet. There are about 244 in the last two years since we announced closure, and I think there are about 150, give or take 20 people, who are still living at Oxford Regional Centre.

Mr Jackson: And when is the planned date for closure for that facility?

Mr Low: The last person, hopefully, would be placed into the community by the end of 1996.

Mr Jackson: If I could move then, where in the estimates can I find the amount of money that we've invested in schedule 2 facilities to expand those community settings where there is no family to take care of the individual who's being phased out of a schedule 1 facility?

Mr Low: They would not necessarily go to a schedule 2 facility.

Mr Jackson: My question was, where in the estimates would I find the moneys allocated by your ministry to schedule 2 facilities? That was my question.

Ms Proctor: I'll ask Dave Cope to refer us to the appropriate page in the estimates book.

Mr Cope: It's page 97.

Mr Jackson: And what does page 97 tell us is the percentage change to schedule 2 facilities?

Mr Low: Schedule 2 facilities are shown as a 19% reduction.

Mr Jackson: Could you please explain to us why that is happening?

Ms Proctor: I'm going to ask Mr Cope to speak to the line of the numbers on this page.

Mr Cope: I think you need to look at the bottom-line total there where you've got all three different types of settings. You've got schedule 2 facilities; community accommodation, adults; community accommodation, children. If you look at the total for the whole line, you'll find that in fact it's being increased.

Mr Jackson: That's a fair statement, but we are still seeing a substantial reduction in schedule 2. We're not seeing the speed at which we're reducing schedule 1 participation, but we are seeing a reduction in schedule 2, which is one of the options and interim steps for placement.

Mr Low: What we would see in the schedule 2 facility, and this is part of the transition, is that if we look at challenges and opportunities and the move from large, congregate care centres, our schedule 2 facilities at one time were viewed as large, congregate care centres. However, they are administered as schedule 2s by boards within the community, so they are part of the transfer payment system.

Mr Jackson: I understand the history of schedule 2s.

Mr Low: Right. The transition is to move from the large facility, and now many of the schedule 2s are operating the community group homes, much as other agencies in the community would be.

Mr Jackson: Precisely.

Mr Low: We have looked at closure of our schedule

2s that have not been making that transition.

Mr Jackson: You refer to a transition, but what you're really saying is that we're taking what were schedule 2 facilities for developmentally disabled individuals in our society and we've, by policy, said we're now going to expand the definition. We're now telling schedule 2s that every child with a disability is eligible for that finite number of resources, so you've expanded the base of application.

My concern here is, we have the ministry responsible originally for long-term care transition; it no longer has lead responsibility. The developmentally disabled community at the front end of long-term care was to be part of long-term care reform. At some point, their hand was dropped in this province and we said: "No. Bill 101, institutional redefinition of long-term care, we're no longer going to have the disabled community participate in that."

Now—and I've been sitting in hearings on Bill 173, the community-based aspect of long-term care—we're getting no clear definitions of persons with developmental disabilities being eligible. However, within your ministry we're now seeing the terms of reference for the disabled community expanded to include other individuals and we're staring at a 19% reduction in schedule 2 facilities. That tells me—

Interjection.

Mr Jackson: I'm sorry, Minister, I want to talk to Mr Low about this because I'm dealing with—

Hon Mr Silipo: In fairness, we determine who answers the questions as well, Mr Jackson, so we've been quiet—

Mr Jackson: You could be helpful, but the Chair has recognized me at this point. I want to finish.

Hon Mr Silipo: I will gladly wait till you're finished.

Mr Jackson: Thank you. Mr Low, you understand the scenario I'm suggesting is a concern to the developmentally disabled community, that we've expanded the base of access for the disabled community to schedule 2 facilities.

Mr Low: I understand what you're saying; I don't agree with your interpretation.

Mr Jackson: So you're saying that if we're having a reduction or even no increase at all in services but we're going to expand the number of persons eligible to participate—I think you used the nice words "cooperation and inclusion" or something—somehow this is going to better serve this group of citizens with developmental disabilities in our province.

Mr Low: Exactly. What I've suggested to you is that you can't isolate on schedule 2 facilities but rather you have to look at all of the services within the community. While we have looked at the reduction in size of some schedule 2 facilities, on the other hand we have expanded and increased the level of service across what I'll call the transfer payment system. So while we may see this one aspect, and in many instances now the schedule 2 facilities are decreasing, we're increasing elsewhere, so we are relieving that pressure.

Mr Jackson: And that's the 11.2% referred to on page 97, for adults.

Mr Low: Exactly, part of it.

Mr Jackson: How much time do I have, Mr Chairman?

Hon Mr Silipo: Mr Chair, I'd like to just add—

Mr Jackson: I still have another case I have to get on the record.

The Vice-Chair: Mr Jackson, you have until 10:54, so you have about 15 minutes to go.

Hon Mr Silipo: I think there are a couple of other words that I wanted to put on the record on this issue, because I appreciate, Mr Chair, the fact that perhaps it's because today we're on camera that the discussion is taking on a slightly different tone than yesterday's discussion, which is fair. But then, let's be fair all around.

What the numbers on page 97 in an overall sense reflect, Mr Jackson, as I'm sure you well know, is in fact what we've been discussing all along in the whole issue of developmental services, which is the continuing efforts of the ministry under the multi-year plan, which I thought actually had been supported by all three parties, to continue over time, with appropriate care to make sure that the needs of individuals are being met, to move people from facilities to community settings.

What the numbers on page 97 do is reflect that movement, because schedule 2 facilities include some large group homes, but they also include some small facilities, so that's just part of the continuing effort that we've been doing. I think, as has been pointed out, when you look at the bottom-line figure, it shows that in fact there has been overall a 4% increase in the amount of money that we spend in this area, not a decrease, and that the decrease that's there simply reflects the shifting of dollars from facilities to community settings.

Mr Jackson: Thank you, Minister. That's helpful.

Mr Low: I want to talk to you then about the situation we were just in the midst of discussing about the transition and the expansion of community-based accommodation.

I have a case of a 49-year-old person in this province. Her name is Donna McIsaac. At the age of eight months, she contracted spinal meningitis and she became organically brain damaged and is classed as developmentally disabled. Her mother many, many years ago was told, "You should in fact send her to Orillia," and she said, "No, but when I'm too old to take care of my daughter, I want to make sure she's taken care of."

Donna's mother has cared for her from a wheelchair up until her 69th year, and she is in a hospital now. She's on oxygen. She's somewhat disabled herself and can no longer take care of Donna.

We found a community placement for Donna, an inappropriate placement I might suggest, but it was all that was available because we didn't have services in Burlington. We had to find a retirement home in Hamilton—it is owned by a family—which has 11 residents, senior citizens, and she is the only disabled

individual who has residency there. Her FBA is used almost entirely to pay for her accommodation, with the exception of her small comfort allowance monthly. The mother cared for this girl up until four years ago, but now Donna's been asked to leave by the landlord and we are scrambling to try and find accommodation for her.

1040

Why I want to raise this issue now is because much of the focus you've given, and the minister as well, has been with respect to the deinstitutionalization, and that is a large cohort of persons with disabilities in this province that we want to move into a community setting. Then there are those families who have waited, who have young people, young adults in their care, who no longer can care for the child. But then there is the whole group of developmentally disabled adults who have a form of independent living who have no family members to take them in, such as Donna McIsaac.

When we called the ministry in the last week, we were told by the area manager in Hamilton, a Mr Jim Adams, that Donna's really caught between a rock and a hard place, that she shouldn't have left Burlington five years ago and moved to Hamilton, that that's hurt her chances of getting accommodation and that in fact she should move back to Burlington and try and find some place in Burlington and from there begin the application process.

We've called the Hamilton office, the Metro Toronto office, the Peel office, Burlington Association for Community Living—I have a whole list of people we've called—Christian Horizons facilities; we're on a five-year waiting list to get into that facility.

Now, Donna McIsaac's going to be put out on the street in a matter of weeks and we're scrambling to find placement. I want to ask you, given the numbers that we just went over—and I could give you three more cases in my community; I have two more from Hamilton—how are we meeting the needs of Donna McIsaac directly with respect to finding supportive living accommodation when I'm looking a 19% reduction in schedule 2 facilities where there are group homes with a component of supervision and support?

Mr Low: First, let me say that the 19% reduction in schedule 2 is, for the most part, redeployed into other forms of community living. Last year, we were able to add \$21 million to the development of services within the community. This year, the minister has announced \$29 million. Each of the years of the multi-year plan we increased the level of service provided within our communities to meet the needs of many people similar in need to Donna McIsaac.

I recognize—and we deal with specific instances similar to the one that you mentioned on a regular basis—and acknowledge that there is unmet need within the community. In fact, that's why we continue to look at reinvestment or investment of additional dollars in meeting needs within the community.

When it comes to the specific situation, while I would like to discuss this with you in more detail at a later date, and I will follow up with you, the planning in the community rests through our service system with the

agencies and with the Association for Community Living.

Mr Jackson: I beg to differ with you. I have been a member of an association for 19 years. I am familiar with all phases of long-term planning with respect to deinstitutionalization. I am telling you that Donna McIsaac is the case that is most frightening in this province because at each of the major policy changes that any government has had in this province, she's been caught between a rock and a hard place.

I gave you specific information because I know you've been around a long time dealing with developmentally disabled adults in this province, Mr Low. Four and a half to five years ago there was a major push at deinstitutionalization. The rules of the game were that we took two individuals out of an institution when we created group homes—and we created nine spaces in my community. We took two from an institution, we took one from a community, and from a community it was a family in crisis. Donna got caught in all of that. There was no space for her. She was inappropriately placed four and a half years ago. As a landlord throws her out on the street, now she's being told, "You're caught between a rock and a hard place and you have to move out of that community and relocate yourself so that you better position yourself."

I'm sorry. The analogy on this was that in certain parts of the world you have to go back to your place of origin in order to be eligible to even vote. They do that in South Africa. We're telling a disabled adult, "You don't have a chance if you stay in Hamilton because you've only been here for four years."

Now I'm asking you specific questions about why the policy is that the ministry would say, "You have to go to another community in order to better position yourself," when some communities are not well positioned. More important, I don't appreciate the fact that it was the ministry dictating what the ratio was.

Before the minister took office, I routinely advocated on behalf of crown wards because they were the minister's children with disabilities. It was easy to get them into a facility, but it was almost immoral that we were changing the child's legal definition in order to flip them into a facility and bumping people out of the queue, like Donna and others, who had a legitimate right to be there.

That's the pressure point on this issue. We can look at all the numbers and millions and percentages, but there are a lot of Donna McIsaacs and there are a lot of Mrs McIsaacs who are candidates for nursing homes who have nobody in society to take care of their 49-year-old daughter with developmental disabilities.

That's the nature of my question, and that's why I want you to undertake, if you will, to investigate this case and to determine why we're unable to meet her supports, because we did a very cruel thing to her, to find her an inappropriate placement in Hamilton. There are 10 people using two washrooms and she's been thrown out the door because this poor woman had diarrhoea and spent too much time in the washroom. That is why she's being thrown out, and the person who owns that home works for the provincial government. I'm angry about this because this person's going to be put out on the street

and there's nothing we can do about it.

Hon Mr Silipo: Mr Jackson, I think we can undertake to follow up on the specific issue that you've raised, because I'm as troubled as you are by the description you've given of the kind of situation that has developed.

Mr Jackson: But, Minister, are you aware of the policy shifts in certain types of individual—I don't want to call them "a type," but certain family cases that have been caught in the middle here? If you are in an institution, you are going to get into a community-based setting because we're physically going to close Oxford centre.

Hon Mr Silipo: Exactly, and I'm aware of the problems that have been caused that way. But what I'm also aware of is that the ministry and the agencies that work out there in this field have been working very hard to try to deal with these kinds of situations. What has to inevitably go on is a balancing in terms of trying to respond as well as possible to the different needs that exist out there, and the varying needs, which is not to say that every action that's being taken and every decision that has being made has been the correct one. But I think it's one that certainly, on the one hand, we can understand in terms of how things have developed. Also I think that as we are looking at developing the developmental services framework, these are exactly the kinds of things that we know we need to try to straighten out. So it's helpful—

Mr Jackson: Minister, nobody's advocating for this group. If you look at where people are placed, people in a schedule 2 facility today have organizations advocating for them. If you're in a schedule 1 facility, God knows, you had Fred Upshaw getting involved in this issue four years ago when Zanana Akande was the minister. There's a lot of people getting involved in this issue. Nobody's getting involved for Donna because she has sort of disappeared out into the community setting. But now she's in crisis. I think she's being discriminated against, but more important, when we called Mississauga office, they say, "Well, she's technically a Halton person because she lived there all her life up until four and a half years ago."

I'm sorry. We broke down those barriers of residency when we apply for housing in this province. Why is the disabled community shuffled around in sort of geographical terms? There's a lot in this case which needs attention, Minister. You may be doing some fine things for a certain cohort in the disabled community. Nobody's getting up and arguing this case. My colleague Margaret Marland had a resolution on the floor of the Legislature that tried to zero in very carefully on this. There was a lot of well-intended debate from all sides of the House, but I don't want to hear the good things we've been doing for this small group over here. I'm trying to find some support.

1050

We have a lot of senior citizens who are going to die soon who don't know the future of their children, and 25, 35 years ago they were promised by the government of the day that, "If you take care of your children at home and don't put them on as a burden to society financially"—Donna's mother, Mrs McIsaac, has to have saved

the taxpayers of Ontario hundreds and hundreds of thousands of dollars, if not \$1 million, by caring for her child. Her health has suffered and now she can't find—imagine what this mother's going through, and I have more cases in Burlington. This is actually Dr Richard Allen's constituent at the moment, but she used to be my constituent and everybody in the system is telling her she is my constituent and we're going to try and find her some accommodation.

So I'm asking you, Minister, if you'll undertake to examine. I'll give you each and every one of the nine individuals we talked to within your ministry over a course of a week.

There's some frightening dialogue here, Minister. I don't think we should geographically define disabled persons for purposes of telling them where they must live and where their eligibility is derived from. They're citizens of our province, period, end of sentence.

Hon Mr Silipo: I couldn't agree more with that last statement and I can tell you very clearly that it's our intent, as we develop the developmental services framework—and again I want to be clear about this—that we're not talking about something that's going to take us another year to develop. We're talking about having something in place in the next few months, and what we are trying to do as we develop that is to pick up all of these disparities that exist and try to bring them together into a plan and a system that will work and that will address exactly, among others, those kinds of issues you've raised.

I think we know, in the meantime, agencies and ministry employees have tried to struggle to deal with the balancing they've had to in the best of ways, because again, if we had the money that we all would want to have, we'd be able of course to do more. I think again it's incumbent upon all of us, as we argue for these things to happen, for that kind of planning to be done, to have structures in place and people in place who can advocate for the whole different kind of clientele that we have, with different needs, and also to be conscious about what positions we're taking on the dollars. I'm trying very hard not to get too partisan on this, Mr Jackson, but I think we have to also keep that in mind in terms of the view that your party is taking around what we should be spending in this area, what you would cut, what we wouldn't cut and what we in fact are trying to add to. That's part of the equation, so I hope you'll be supportive there when we try to argue for more money in this area as well.

Mr Jackson: I have a minute left. Let me just put a fine point on this. In the course of the last week we've had two interventions from protective service workers; we've had a psychiatrist examine the case to reconfirm that the reason Donna spends so much time in the washroom is that it's the only safe place she can find in this facility, and yet none of these people, well-intentioned, additionally funded by your ministry, can do anything to help her.

I'm not going to argue with you that you've put a little bit more money for protective service workers, and we're going to spend \$30 million on an advocacy commission

that'll arrive on our doorstep to say absolutely, "This lady should not be thrown out on the street." There is money in the system, Minister. I'm simply saying that somehow we've lost a client-centred focus to those needs and what Donna needs, and she was promised four and a half years ago that this was a temporary situation, to put her into a retirement home in Hamilton. I'm simply saying, Minister, that there is money in the system if it was directed to true supportive living for these individuals and that's why I would like the matter investigated, because I think it will serve for you, Minister, as an eye opener.

The Vice-Chair: Thank you, Mr Jackson. Time for the Conservative caucus has elapsed. I turn to the New Democratic caucus.

Mr Randy R. Hope (Chatham-Kent): As we indicated yesterday off the TVs in a little bit more subtle conversation around the issue, and we weren't looking for Brownie points or whatever you want to try to call it, I think it's important that it was indicated that the chairperson from SARB would be here in order for the opposition to ask questions. So we are going to yield our half-hour, roll it over—we're not giving up our time. We're just rolling it over to allow the opposition the time for questioning this morning so that the person can return back to her regular job and continue with the work she has on her desk.

Mrs O'Neill: I want to say to the minister that he has said twice this morning, and I'm glad he has, that the developmentally disabled are a priority and that the special services at home are a priority. I want to underline that because I think those are very crucial needs that I too support.

I want to go back, and I feel it really isn't very happy news that we had a saving in the shortfall, so to speak, on the Jobs Ontario. There was an awful lot of money spent on advertising and the program wasn't picked up, and that is certainly, in my mind, somewhat of a failure.

I want to go to pages 39 and 45, where the projections on the Jobs Ontario and how it will affect social assistance are reflected in this document. They seem on those two pages, and I'm looking at bottom lines here on page 39, a 4.6% change in 1994 over 1993 regarding improvements to what was in the 1994 budget on page 103, which was a 2.1% growth in social assistance. I'm wondering how you arrived at these figures, keeping in account what we have just talked about, which is such a shortfall in the uptake. Where did you come to the figures that are on page 39 on FBA, and on page 45 on GWA, regarding the changes that the Jobs Ontario initiatives are going to have on social assistance across this province?

Once we have the answer to that question, our critic on training would like to continue with questions on Jobs Ontario.

Mr Kevin Costante: Kevin Costante, assistant deputy minister of social assistance. We've asked for some additional information on Jobs Ontario to be brought over in terms of estimates of placements and dollar amounts. So that should be coming shortly.

Mrs O'Neill: Perhaps Mr Ramsay then could pose his

questions, if we're just waiting. My questions are really much more statistical.

Mr David Ramsay (Timiskaming): Thank you very much, Mrs O'Neill. I'd like to talk with the minister a little bit about JobLink and his recent announcement of—I guess you don't call them pilot sites any more, because I suppose it is a program that's in place, so this is the initial round, I understand.

I certainly brought up the concern in my riding where the town of Kirkland Lake, by federal government statistics, has been shown to have received one of the largest government supports of any municipality in Ontario, a combination of all the government programs coming in to assist the people of Kirkland Lake. I found it very ironic that the social assistance department of the town of Kirkland Lake, which had put forward a proposal, didn't get one of the initial locations, yet the Kitchener-Waterloo region did, and it has the lowest unemployment in Ontario. It just seems quite ironic to me that one of the poorest areas, where people would need the help of JobLink—by the way, I think it's a good program; I want to say that up front—didn't get it, yet Kitchener-Waterloo, where things are really doing well, did.

I see another one, Windsor, where Ford now has got 150 more people hired than it had before and is looking for another 800 to 900 with its recent expansion plans. It's starting to come back. I just really have to question how you made some of these decisions as to where the initial JobLink offices were placed.

Hon Mr Silipo: Mr Ramsay, I'm glad you're asking questions about JobLink, because I think it's an important area for us to talk about. Let me stress again something that you said, that the announcements we've made are just the initial sites. Our intention is to move consistently and swiftly to keep adding sites. In fact, the contribution from the federal government, the fact that it's come on board and has agreed to fund, not just for this year but also ongoing, the growth of the program over the next few years will mean that we'll be able to add to those initial sites.

Initially we wanted to get the program started in a combination of places across the province, so we chose places on a number of criteria: places that we felt overall were ready to go with the initiative very quickly, places that reflected large and small communities across the province, urban and rural. I think there could have been any number of other mixes in terms of the initial communities, but what I want to stress is that those are just the initial communities.

1100

We now have the guidelines out to communities. If there is already a proposal from Kirkland Lake, I can assure you that it will be considered in the next round, and we expect to be making some further decisions before Christmas in terms of the next round of communities that will be selected, and then continue to add communities into the next year. At roughly three-to-four-month intervals we hope to keep that rolling along.

I want to say, through you here today to Kirkland Lake

and to indeed any other communities, what we're saying through our area offices to all communities, that we want to expand the program, we intend to expand the program, and if there are proposals out there we need to get them and look at them and proceed.

Mr Ramsay: I'm encouraged to hear that you will be making a second round of announcements before Christmas. It's certainly going to be needed. I would also make a plea that, when you look at your next list, you get sort of a more balanced list between large and small municipalities. The list here of the initial round was fairly big centres except for two. We've got Waterloo, Sudbury, Sault Ste Marie, Ottawa-Carleton, Windsor, Cornwall and Kingston, and then you do have Bruce, so that's probably going to go in some small town there, as that's all that exists in Bruce, and we're not sure in the district of Algoma. Even though Sault Ste Marie is in that district, it must refer to—

Hon Mr Silipo: No, those are two separate—so both of them—

Mr Ramsay: Two of them, so it's another one, maybe one of the small towns. Out of that number there are only two in sort of small-town Ontario. I would say to you that in many rural areas and small towns we lack the resources that many of the cities do have already. They have community offices open under the guise of many sponsors that help our unemployed, and it's going to be the small communities that are really going to need a JobLink type of program that has those facilities there for people.

Again, I think it's a good program and I encourage you to certainly get on with it and to maybe look at the next round, maybe more smaller communities—

Hon Mr Silipo: I would expect that's exactly what we will do because, again, we will want to continue that balance throughout the province. So if in the first round we've tended to have the scale slightly more in favour of the larger centres, it's also because that's where we have the larger numbers of people on welfare. As you know, the intent of JobLink is to support and encourage people to be able to move off dependency on welfare through training and other supports. So there's a logic also to why we started perhaps more so in the larger centres, but I can assure you that we intend to have the program spread out as quickly and as widely as we can throughout the province. That's something we'll keep very much in mind.

Mr Ramsay: Good. Thank you.

Mrs O'Neill: I would like to continue on with page 35, if I may.

I wanted to look at the Ontario drug plan. I see, as most of us would have expected, that the funding for this program is kind of in a holding pattern. We spent less last year than the year before, but now we're going to spend more. What's always deceptive about this book, in my mind, is that it has no relation to actuals. You look at two sets of estimates, some of which are really out of whack, and here you look like you are really going down in expenditure when you're really going to go up in expenditure on the drug plan. Then I see, down in the

changes, the Ontario drug plan cash flow of \$14 million.

Maybe somebody can give us some explanation of what's really going on in that program, particularly in the social assistance area.

Mr Cope: I think what you're seeing there are a number of different things that are going in different directions.

We had discussed yesterday the increase in case load of \$347 million. Then, along with that, of course, there's a corresponding increase on the Ontario drug benefits payments that would go with that increase in case load, so there's an increase there. At the same time you have a decrease of \$14 million that is showing there for what is called cash flow. What happened in that case was that at the end of last fiscal year it was determined, for overall financial reasons, to make a payment in the previous fiscal year so it would not have to be made this year, and the adjustment has been reflected in our estimates to take care of that one-time movement of funding.

Mrs O'Neill: Okay. Thank you very much for that.

The minister suggested yesterday in his opening remarks, or in response to mine, that he would be willing to talk a little bit about how this case file investigation is going; just a first-blush brush on the update of that initiative, if I may, and we talked about the \$61 million that you allocated for that. Could you say a little bit about how things are going, particularly with the municipalities?

Hon Mr Silipo: Yes, I will start and ask Kevin Costante to provide some details because I know we have some initial details, even some examples that we can give you by municipalities, of actual savings that have accrued. The overall amount is \$61 million, as you've noted, that we are anticipating saving through case file investigation this year. So far I think it's fair to say, from the indications that we have, we're very much on track with that, and Kevin can provide some details as we have them so far.

Mr Costante: We've done a preliminary survey of municipalities in terms of some of the results from the case file investigation, and this is all of the full-time administrations. We have about 180 or so deliverers of social assistance. About 60 are full-time administrators and then there are some very small communities that deliver in some of the unorganized areas, and we don't have the full survey.

Based on that, up until the beginning of August, they had reviewed—these are the municipal numbers—about 43,000 cases and they were reporting a total saving of about \$21 million, at that point, from the review of the cases. So that would be a combination of both reductions in terms of people's allowances or perhaps complete termination if it was proven that they were ineligible, as well as one-time saving from repayments. So that's the information we have to date. On the FBA side—

Mrs O'Neill: Do you have anything about overpayments and how it's affecting overpayments?

Mr Costante: Sorry, I don't have the exact numbers. The amount of overpayments would go up. What happens

is, if they find that somebody has perhaps not been reporting income for a period, we would assess an overpayment and then it would come back to us. So the trend in overpayments is definitely up. I'm sorry I don't have the exact numbers with me.

Mrs O'Neill: I feel this initiative has its ups and its downs. I'm glad that the municipalities are very much part of it. I guess what I want to say is that I find it difficult that some of the municipalities have gone in some of the directions they have and that they are finding that some of them are not as effective as others.

Are you helping them assess the initiatives or is it strictly a municipal decision how they spend the money you give? Are there guidelines, frameworks?

Mr Costante: We have provided a framework and set down some criteria as to how we'd want the money spent, so we've given them a range of activities. Some of them participate in a full range of activities; some of them only participate in some. For example, the main ones would be introducing eligibility review procedures, also the pursuit of support payments for single parents. A third one would be paying more attention and bringing in a systematic way of dealing with overpayments, so a system with those costs. Those are the three main things that the \$10 million we have this year for the municipal case file is being used for.

Mrs O'Neill: So you don't actually indicate what strategy you would prefer they use.

Mr Costante: Some of them have had some elements in there before. Each municipality sends in a plan to our area office for approval, so we are only providing them with additional moneys in areas where they had gaps. If they already had a good eligibility review program in place, we weren't going to pay for something that was already there. But if they needed money for something—an overpayments unit—we would of course support that.

Mrs O'Neill: Could I go now to pages 53, 59 and 61, which are all related to counselling? I have some difficulty with what appear to be cutbacks in those areas on those pages, or at least a holding pattern if not cutbacks. That concerns me greatly, especially since we've had a rather major discussion this morning about community supports. I just would like to know how we can be doing what we consider constructive building of community supports when counselling services are going down by almost 10%, and how we're going to fill those gaps. So I'm looking under transfer payments on page 53, which is a 9% decrease.

1110

Hon Mr Silipo: The main reason for that is that was an expenditure control plan measure, which only explains the reduction; it doesn't explain the effect, which I think is what you want some information on.

Mrs O'Neill: Well, if we have any read on it, and then if I look at the same thing on page 59, sexual assault counselling, I guess if I could get some answers about Grandview and how the responsibilities of this ministry to that group of people fit into that.

Hon Mr Silipo: Why don't we ask our ADMs to talk first, then, about the \$5-million reduction there, how

that's taken place, what it constitutes, and then address your issue about Grandview. I think David is going to start with the numbers and then we're going to have our ADMs.

Mrs O'Neill: What page are we going to start on, then, Minister?

Hon Mr Silipo: Page 53, David?

Mr Cope: Page 53 is a summary. I think if you turn to page 61 you'll find the details on community counselling. In fact, the major explanations for that \$5-million reduction are \$2 million in expenditure control plan reductions that had been committed and another almost \$3 million in supportive housing funding that had been originally provided in that line because it came in a block there, and as we placed the funding in the appropriate supports, we found that some of it needed to go to the violence against women line and some to developmental services. So it's a transfer out. It's not really a reduction in the service that we're providing to individuals but a relocation of the funding, and you'll see it just moved.

Mrs O'Neill: Do you want to tell me exactly where you've moved it to? Is it on this page or is it on another page?

Mr Cope: No, it's on violence against women and in the developmental services program.

Mrs O'Neill: Well, this discussion is moving very quickly and I'm having a little bit of difficulty with it. I want to go back to page 59 when I get something else out of my mind.

You're talking about expenditure control plan and it being the \$2 million. Is that a cutback in services, is it a cutback in salary for those who are providing the services, or is it a combination of both?

Hon Mr Silipo: That's what we're going to have Lucille Roch, the ADM, speak to.

Ms Lucille Roch: We've managed to reduce that line by not cutting back services. What we found when we discussed this issue with our area offices is that they had some initiatives that they had not been funding or underfunding over a number of years. So basically the money was taken away but it has not, to our knowledge, affected service.

Mrs O'Neill: That's even more confusing to me, maybe not to you. Are you suggesting there were programs that they were not using or not implementing and they were putting it into a general revenue base, but it was on that line of the budget? Is that what you're saying?

Mrs Sue Herbert: Maybe I can explain this program area. This is two types of programs. One is purchase of counselling through the municipalities.

Mr O'Neill: Yes, and that's the one that's on page 61 that seems to be going down the most.

Mrs Herbert: Yes, and in fact in a reduction of the expenditure line, that's correct, Mrs O'Neill. The program itself, though, is based on a volume agreement with a municipality. So they agree to a certain volume and rate and the municipalities actually monitor and approve the individual program. So it's almost a cost pass-through to

the municipalities.

What we've experienced over the last two or three years is an actual reduction in the volume that the municipalities have claimed. So while they would have had an approved budget level, their actual claim came in far under that amount of money, and across the province that equated to almost that \$2 million.

Mrs O'Neill: Because that's a shared program; that's our share.

Mrs Herbert: That's because that's a shared program, 80-20.

Mrs O'Neill: So there really is a cutback of services. It's a double decision really, at both levels of government.

Mrs Herbert: I think it's twofold. One is that some municipalities have been reducing themselves their approvals and have been holding the counselling rate line. As well, there has been less volume used than projected. So in actual fact, it's not a cutback in demand—there was not the demand there for that service in that particular program. So we did a review, we actually did a survey, and removed what at the area office level would have been seen to have been some underexpenditure.

Mrs O'Neill: Okay, maybe it's more efficiency. I hope it's only that.

To go back to something that was just said regarding page 59, you suggest that the estimates were—there's a transfer here of \$63,000 into this area from some other area of the budget during the budget year. Is that what that indicates? And now you're going to \$19,200. This is very confusing for somebody just looking at this cold, and that's me.

Mr Cope: The transfer I was talking about was in the first of those two. On that page, you have two lines showing up, violence against women and sexual assault counselling. There's been no change in the second one. In the first one we increased by \$461,000, and that's the transfer I'm talking about.

Mrs O'Neill: What are the explanations for the lines on sexual assault counselling, which are even more confusing: \$63,000, and the budget figure was zero?

Ms Proctor: The overexpenditure in the sexual assault counselling or the amount of money there had to do with the provision of pay equity payments in the previous fiscal year.

Mr Jackson: You're using pay equity for counselling?

Mrs O'Neill: So you're suggesting that the \$19,200, then, is how much pay equity is going to cost this year? Is that still pay equity?

Interjections.

Mr Cope: Just to clarify that, I think what is confusing there is that in 1993-94, there was nothing in the estimates. That doesn't mean that in fact we weren't doing anything in that; it was just subsumed up against the violence against women line. Because of the attention that it has received, we felt it was appropriate to show that separately. If you look in older books, you won't see that line there. So that's why there was a zero; we hadn't

had anything there officially in the printed estimates before, although the money was there. So now we are seeing the actuals; we're putting the amounts in place there.

The reduction was because there were some very large payments in 1992-93 for some of the abuse cases that were going on. Those cases have now wound down so that there's not as much spending required in that area. But we still felt it was important to show that category separately for you.

Mrs O'Neill: I'm having trouble with the \$63,000 now, especially if you relate it to major abuse cases, if we're talking about either Grandview, St John's or St Joseph's. I mean, we're talking about \$3,000 to \$5,000 per person, or maybe even more.

What is that figure reflective of and then what is the change this year? Because certainly the payment to the Grandview survivors is just beginning or certainly is continuing. If we don't find Grandview here, where do we find it?

Ms Proctor: We're just checking with each other here. I can't give you a clear answer now as to which payments come from this budget and which payments come from the Attorney General's budget, because they have some responsibilities as well with respect to Grandview and those survivors. So I would like to take that with a commitment to get back to you with more detail on that.

Mrs O'Neill: Okay, I'd really appreciate it.

Ms Proctor: We can get it, but we need to consult with the Attorney General and track that down in terms of the whole thing. So I'd like to bring that back to you.

Mrs O'Neill: Because in the beginning, certainly the counselling, as far as I know, came under the Ministry of Community and Social Services. I don't know whether that's changed with the settlement, although there are some people who are still not within the settlement, so I guess that's the kind of thing we need to know.

Ms Proctor: And we'll undertake to provide information about that. We will need to check with the other ministry as well.

Mrs O'Neill: Mr Chairman, how much time do I have left?

The Vice-Chair: You have about five minutes, Mrs O'Neill.

Mrs O'Neill: I think then, if I could, I will go to the child care section, page 67. The child care page, as the minister even in his opening remarks indicated, is somewhat connected to the Jobs Ontario.

I wanted to look at that line in particular, of the "Jobs Ontario Training—child care." That line, in this entire book of estimates, caused me the most confusion. I look at it and I say the estimates are thus for 1993-94. The actuals are thus, which is \$20 million less. Notwithstanding that, we're going to go and increase it by 37% and go up beyond \$100 million. That is a mystery to me, because I really don't know—

First of all, it's obviously the strongest line on this whole page. I want to have clarified why, when the

program does not seem to be—I'm certainly speaking from experience as well as from this line that the child care needs of people accessing Jobs Ontario have not been what had been predicted, that the child care criteria surrounding Jobs Ontario Training are quite restrictive for some individuals, and I'm talking about some individuals who have needs, and yet we've still put this as the highlight of this page. So maybe we can get some idea of why we're still in that line of thinking.

1120

Hon Mr Silipo: We probably need a couple of exchanges to clear up the concerns that you've raised, but let me start by saying, because you've raised the issue of criteria a couple of times—

Mrs O'Neill: Yes, I have.

Hon Mr Silipo: —that I think as you recall we in fact did broaden the criteria. I think you used yesterday an example of a young mother, if I remember well, who was in school or in a training program. That person would be eligible under the expanded criteria.

Mrs O'Neill: I understand not if they're living at home, if they're still under the roof of their parent, and that's one case I'm thinking of. Although the family are very limited—

Hon Mr Silipo: But then the only reason they wouldn't be eligible is because of the needs test that's applied, I believe. In other words, living at home might mean that in effect there is the whole family's income taken into account. That's not an issue that's been affected by the Jobs Ontario provisions, and even then, I'm not sure why in fact that would be the case.

Mrs O'Neill: Okay, there might be a smaller—

Hon Mr Silipo: But on the criteria, we have expanded. On the overall—

Mrs O'Neill: Did you want to be quite specific, Minister—I'm sure you can be—on the actual criteria? I think it would be important to put that on the record again, both the first criteria and the expansion, for this particular line of the budget.

Hon Mr Silipo: Why don't we have Lucille just go through that, the three pieces, because we did move from the initial criteria, which were more rigid, to an expanded criteria which picked up and allowed people who were getting training or education programs on their own to also be eligible for the Jobs Ontario subsidies.

Ms Roch: The first set of criteria included people who were on social assistance and whose UI payments had expired. We then expanded the criteria to allow people who were on social assistance who had found either training or job opportunities on their own, without going through the Jobs Ontario program, and we also expanded it to include teenage mothers who were going to school.

Mrs O'Neill: So these would be the people who are, from my experience, and maybe it's not complete, the people who have access to a high school that has a child care centre connected with it, or would it include people who would even seek out their own child care beyond the school walls?

Ms Roch: It could include someone who seeks a child care centre beyond the school walls, but it would have to be a centre.

Mrs O'Neill: But it is a non-profit centre that gains the funding. Okay, did you want to say a little more about that line, Minister?

Hon Mr Silipo: I think the deputy wanted to comment more specifically on it.

Ms Proctor: I just wanted to explain briefly the over- and underexpenditure, because the underexpenditure in the previous fiscal year was primarily related to the fact that a lot of new capital was coming in that year and the operating dollars were targeted for new spaces that were being built. However, spaces didn't become available until very much closer to the end of the fiscal year and therefore there was an in-year savings with respect to that.

The additional dollars that you see going in in the 1994-95 year and that are reflected in the estimates increases include those operating dollars as well as the additional commitment up to the total of 14,000 spaces that had been provided for through the 1994-95 year with respect to adding new subsidies to the system. So the larger increase this year is to provide both the operating dollars for the spaces that were coming in close to the end of last fiscal year as well as the new subsidies that are coming along this year.

Mrs O'Neill: So you're still talking about the \$44 million that's going to go into capital, and this is to support that. Is that what you're saying?

Ms Proctor: This is subsidies and operating dollars to support the new capital spaces as well as other spaces in the system.

The Vice-Chair: Thank you, Deputy Minister. Mrs O'Neill, your time has elapsed for this round. I now turn to the Conservative caucus.

Mr Jackson: Could I return to the violence against women initiatives? These numbers are cause for some concern and I wanted to maybe take another run at them, since Ms O'Neill may not have gotten all the answers she was seeking.

Could someone explain why we've got a figure of \$326,000 as an actual expenditure in 1992-93 and then a \$63,000 actual expenditure in 1993-94 on the line on page 59 on sexual assault counselling, and somehow explain why the words "pay equity payment" were used?

Ms Proctor: Pardon me. This is the question that I said we would require some additional time to provide an answer to, and we agreed and committed to provide additional information. But I don't have a clear explanation now, because some of the responsibility, as I said, was also in the Attorney's General ministry and we need to both discuss with them and get more accurate information about why some of the expenditures are here in a previous year.

Mr Jackson: I heard that part of it, but no one got at the \$326,000. Surely someone in your ministry knows what was spent in the \$326,000 back in 1992-93.

Ms Proctor: We will undertake to provide an answer to that, Mr Jackson.

Mr Jackson: There's nobody here whose responsibility for violence against women—

Ms Proctor: Would permit them to answer that.

Mr Jackson: Okay. Well, we'll leave those for this afternoon, then.

Deputy, could I ask you if you could advise the committee how many meetings your ministry has had with the province of Quebec in 1993 and up to now in 1994 to specifically meet with your counterparts to discuss the issue of social assistance fraud? Can you give us the dates of those meetings?

Ms Proctor: I'm sorry. I don't have that information with me and I'm not sure that we even could, because meetings occur between the province and the province of Quebec at different times and would mostly be handled through our Ottawa area office in terms of work that's been done. We can undertake to see if that information could be available, but I don't even know if they would have a record of that sort of—

Mr Jackson: Who in your ministry head office is assigned responsibility to discuss the issue with the Quebec government of welfare fraud? Who has been assigned that responsibility?

Ms Proctor: The responsibility falls within—

Interjection.

Mr Jackson: Welcome. Can you describe for me the nature of any conversations you've had with the Quebec government with respect to social assistance changes that may be necessitated because of the fraud that's existing between the two provinces?

Mr Costante: I personally have not had any discussions. Staff in my division have had discussions with the province of Quebec over a data sharing agreement so that we could see if there are people getting benefits in both provinces and then deal with that. So that is the nature of discussions that are going on within my division.

Mr Jackson: Who in your division is assigned the responsibility for this issue?

Mr Costante: In terms of the position chart, it would show up as the director of the social assistance reform project as responsible for that.

Mr Jackson: And who is that?

Mr Costante: The person's name is Don Young.

Mr Jackson: Okay. You said "if" there's any fraud. Are you aware if there is any at this point?

Mr Costante: There had been a comparison of data between the region of Ottawa and Quebec, and they found a number of cases—I'm sorry; I don't know the exact number—where there was suspicion of both, ie, same names or SIN numbers were showing up in both jurisdictions.

Mr Jackson: Have you not received the numbers of Quebec residents who have been removed from social assistance in the province of Quebec because they are drawing income from the province of Ontario?

Mr Costante: My staff may have that. I don't have it.

Mr Jackson: Well, I've certainly been privy to some

of that information and I was a year ago when I raised it in the Legislature. I'm just wondering the degree to which the levels of cooperation are occurring between the Ontario and Quebec governments.

Hon Mr Silipo: Mr Jackson, can I answer that? Let me just tell you that we've had a lot of discussions both at the officials' level and, I can tell you, at the ministerial level. The last conversation I had with my counterpart in Quebec was at the June meeting of the ministers of social services. We had been—and are still, from our perspective—very close to the actual signing of an agreement with the province of Quebec. The Quebec minister and I discussed that at the last meeting. We had discussed that at the previous meeting as well.

1130

There has been a fair amount of work done on this. I think that our officials are being a bit cautious in their response to you because of the nature of the discussions that have taken place. If what you want is proof that in fact these discussions have been taking place, we can get you that. If what you want is some information to confirm whether the information that's been leaked to you is correct or not, we can see how much of that we can give you. But you appreciate that—

Mr Jackson: Minister, just for the record, this information wasn't leaked to me. I just had to simply pick up the telephone. I was able to call the Quebec government, who are very proud of the fact that they had brought in a series of measures to ensure a certain level of accountability with their system. Some see this as controversial, but the Liberal government in Quebec in their wisdom have proceeded with this plan.

What it did was it immediately netted them out savings, and one of the areas that they determined was that, without saying it's welfare from Ontario, it's just income from another source. This was occurring at the New Brunswick border, but that was caught and stopped. It was occurring with a high degree of regularity. I was able to phone your ministry offices in that part of eastern Ontario and municipal offices, and the information was freely given of a statistical nature.

I raised it with you in the Legislature back on June 9, 1993, and you indicated that you would be undertaking discussions. You indicated as well, Minister, that you would look at the materials that I had and I presented you with the materials that the Quebec government gave to me in both official languages, which I appreciated, and I handed that over to you. That was a year and several months ago.

What I'm concerned about is the article that appeared—because I was working with your undertaking. You did undertake to report back to the House in my question in the House that day—but this re-emerged on June 29 where we now have more information coming out confirming the levels of fraud, and substantive levels, and again, Quebec is cutting off high numbers of people who continue to collect in Ontario.

The trigger for this, according to these reports, was that the discussions were primarily around health care fraud and the health card abuse, which is where those

ministries were discussing. My reason for asking is because I want to establish the degree to which your ministry is dealing with this matter directly.

I understand the delicate nature of exchanging information in a world that's preoccupied with freedom of information. But Quebec has overcome this hurdle with a legislative tool and, I must submit, a rather appropriate one. They, according to Quebec officials, have saved multimillions of dollars by implementing these strategies. I personally believe we're late off the mark. I have in Hansard your undertaking to do something about it, and I still haven't got anything substantive in terms of even an admission of the level of the problem from your own staff. We're not disclosing any names here, but I certainly can freely pick up the telephone and get numbers of suspected cases.

I can ask the question in a proper manner, and that is, for your eastern Ontario regional offices, what are the initiatives for new strategies implemented with respect to fraud that are being implemented successfully, what are their rates, and how many Quebec residents—because we're not naming them; there are classifications in these sheets and I've seen them—are still collecting welfare in Ontario? They need to. They have to. I mean, they've been cut off in their own province. They've got a source of income. I just wish we could do it the other way around so we could stop people from collecting dual payments on our side.

Hon Mr Silipo: I think you shouldn't assume, Mr Jackson, that (a) we haven't taken any of those steps to deal with those issues of double payment—

Mr Jackson: If you were forthcoming then I could believe that.

Hon Mr Silipo: We can provide you whatever statistical information we have on that and we will undertake to do that, because part of the process was to get at where the residency of a number of individuals was. If it turns out that at the end of the day they were residents of Ontario who were legitimately therefore eligible to receive social assistance in Ontario, then that eligibility presumably would continue and they might not be eligible or would not be eligible to receive payments from the province of Quebec. But that's an issue that again—we'll put together the statistical information we do have.

Mr Jackson: Surely, Minister, you're not suggesting that Ontario has an obligation to Quebec residents who'd be cut off social assistance—

Hon Mr Silipo: Absolutely not, no.

Mr Jackson: —from the province of Ontario and the province of Quebec because they felt they could cheat both systems.

Hon Mr Silipo: No, that's not what I'm saying. That's not at all what I'm saying.

Mr Jackson: I'm trying to understand. If you move swiftly you're harming, if I can use that phrase, a Quebec resident; you're helping an Ontario taxpayer. That would throw them back into the mercy of the Quebec government for their social assistance, but these are people who are collecting in Ontario and collecting in Quebec.

Hon Mr Silipo: And the issue at the end of the day is twofold. The first is people who are collecting inappropriately in both provinces, and that's an issue that is being addressed through the work that's being done; the second is, once all that is determined, are these individuals entitled to continue to receive social assistance from either the province of Ontario or the province of Quebec? That issue, at the end of the day, would be determined on the question of residency.

All I'm saying is that if they were residents of Quebec they would continue to be eligible subject to the rules in Quebec to receive benefits there; if they're residents of Ontario they would be eligible to receive benefits here. We can provide you with the statistical information that we have in terms of the work that is being done—

Mr Jackson: Minister, what I want from you is not the statistics and not the undertaking, and I don't mean that literally; I still want the answers to these questions. What I want is legislation and a framework of legislation that will empower the government of this day to bring some accountability into this system.

Quebec did not need to sit down at length with all of the other provinces on its border. It made a decision, maybe an unpopular decision, but it made a tough decision. Premier McKenna in New Brunswick made the exact same tough decision. We didn't make that decision in Ontario and it's costing us major amounts of dollars. This is the taxpayer's dollar.

I want to raise another example, because you can make this sound more complex, but at the root of it is a system that empowers the civil service of this province to do its job. That's really what's at the root of this. I raised in June 1993, again with you in the House, a disturbing report from the federal government about 11,000 warrants out for illegal refugees in the province, mostly in the greater Toronto area, who are collecting social assistance. These people were required, as immigrants who were in the province illegally, to come forward and make proper application to be citizens of this country. The federal government was lamenting the fact that we had the police records, we had the immigration records, we had all of that in the system but we couldn't get any level of cooperation from the provincial government to share information, because these people were in the province collecting social assistance and were not cooperating with the federal government with respect to their status.

For the life of me I can't understand—here we are, 14 and a half, 15 months later and we're no further ahead in terms of an agreement with the federal government. In Quebec they resolved it. In New Brunswick they resolved it. It remains unresolved in this province.

I'm sorry, Minister, but we've taken many things off your plate, and social assistance reform is not fully on the plate any longer for this government. Why can't we spend a little more time on these elements of accountability? Tell me how many people are on social assistance and how much we are spending in this province, to give you an idea of how important an issue this really should be for the government.

Hon Mr Silipo: Let me answer that in two ways. First, the references that you made to the package that

you provided to me back in 1993, it went, as you recall, beyond this particular issue to a number of issues that the province of Quebec had undertaken that you felt we needed to take. A number of those things already exist in our system at this point in time. The case file investigation process is one very clear example of that.

1140

Mr Jackson: You still can't phone the PUC and find out if this welfare recipient has paid their hydro bill in this province—

Hon Mr Silipo: No.

Mr Jackson: Let's get basic and specific here. You can't do it. You can't even pick up the phone and determine this.

Hon Mr Silipo: No, because we place a higher value on protecting the confidentiality—

Mr Jackson: Yes, you do.

Hon Mr Silipo: —of individual clients than—

Mr Jackson: Yes, you do, and that comes at a huge cost.

Hon Mr Silipo: —other jurisdictions do. I think if you want to feed into that perception, Mr Jackson, you're quite free to do that.

Mr Jackson: I think in Quebec they've succeeded—

Hon Mr Silipo: Our sense is that we can run an efficient system. I'll be the first to say that we've had to take steps to make the system more efficient, because it hasn't been run as well as it could be done. A lot of that has to do, quite frankly, with the way in which the system has had to grow over the last three years to deal with the number of people who have had to turn to social assistance. But be that as it may, we have put, and are putting, into the system additional steps to better manage the system.

The case file investigation process and the enhanced verification are two very real processes by which we are setting out some very clear guidelines about the kind of information that has to be on the files in order for eligibility to continue and the systematic review of each and every file in the system to ensure that that information is there and that people are getting benefits only if they are eligible.

I think that we can do that and at the same time continue to protect both the privacy and the dignity of the individual, which for us is very important. It may not be as important to you but it is important for us. We think that's something that needs to continue to be very much a part of the system.

The other comment that I wanted to make was that with respect to the issue of agreements we have, as I've indicated to you, done a fair amount of work with respect to the province of Quebec and are close and, as far as we're concerned, we're still prepared to proceed to sign the agreement with the new government as soon as they're ready to do so.

You mentioned also the issue of agreements with the federal government. We have with the immigration authorities federally—at the last information I had, we were practically ready to sign an agreement there that

would provide at least initially some of the information.

There are some additional concerns. The reason that some of this work has been slowed down has been not so much because of the work within the ministry, but it's been because of the concerns that have been flagged through the privacy commissioners, both our own and others and the federal one in that case. Those are concerns that have to be addressed, because if they're not, we can sign all the agreements that we want and then the next thing we'll know we'll find ourselves in court dealing with these issues.

Mr Jackson: It's an oversimplification to suggest that these are all privacy issues. I raised in the House two years ago a pilot project in the city of Hamilton, to the credit of the social services administration in the regional municipality of Hamilton-Wentworth. They had undertaken to resolve the concept of overpayment and non-collection. Again, this was in the shadow of the auditor indicating that we really didn't have a proper system for collections in this province of overpayment or fraud.

But in Hamilton they resolved the issue of when people take the step from unemployment insurance to social assistance or from job loss to when UIC kicks in and they apply for social assistance in the intervening period. The city of Hamilton saved \$10 million. By extension we worked out that in the first year alone the city of Toronto could've saved \$50 million, which was enough to wipe out the deficit of the Metro Toronto children's aid society, with additional moneys for children at risk. We appealed to your government and yet we're now getting around to the issue of signing that agreement.

You were not the minister at the time, in fairness, but you were the minister on these other two issues I raised, and yet we're looking, in the case of Metro Toronto alone, at a potential saving of \$100 million in a two-year period. We're just now getting around to doing that, and there's not one element of confidentiality in that.

Hamilton did it without one piece of provincial legislation. In fact, when they notified Zanana Akande, the minister of the day, of this potential to save money, she didn't even give them the courtesy of a reply. These are all matters of record.

Hon Mr Silipo: There are agreements, as you may be aware, between municipalities and federal authorities because they also have the ability to do that. Again, we can provide you with a list of those that exist, but there's certainly more than one municipality that has entered into those similar agreements. They don't even need our blessing to do that, in most instances, depending on the nature of the agreement.

I think, as Mr Costante indicated earlier, despite your efforts to try to point it to the contrary, the steps that we've taken are having an effect. The figures that we heard earlier, that in the reviews of the 43,000 cases that have taken place up until August of this year there has been already identified a saving of \$21 million, I think means the processes we put into the system are working.

Mr Jackson: Minister, you've talked about municipalities. Are you familiar with the AMO resolutions that

were recently passed at the AMO convention? You'd be familiar with the one which suggests a series of problems associated with interim assistance. They are very concerned about the costs associated with that, and in an AMO resolution they have indicated that "the Social Assistance Review Board is currently issuing interim assistance on cases regardless of the merits and without any investigation of the case" and that the assistance is granted at the date of decision. They go on to suggest that "the granting of interim assistance, regardless of the merits of the case, is contrary to the spirit and intent of the General Welfare Assistance Act."

They have concerns about the high costs of this interpretation, and they've resolved that AMO petition your ministry "to immediately eliminate the current practice of granting interim assistance regardless of the merits of the case." Could you give this committee a short response as to how you're going to approach that recommendation?

Hon Mr Silipo: Interim assistance remains something that the Social Assistance Review Board has the right to determine whether it should be granted or not, and I think the legislation, as we understand it and as I understand it, is quite clear that whether or not interim assistance is given is to be determined on the financial situation of the individual and not on the merits of the case. That's the whole point of it. I think that whenever you wish to address some questions to the chair of SARB, who's here, she can give you some statistical information about the number of instances in which people apply for interim assistance and where it's granted, because it certainly is not in all cases.

But in terms of what further steps we are going to take with respect to the issue of interim assistance, we've been discussing with the board ways in which we can deal with this, again in both a policy way and if need be through regulation, because the legislation is quite clear and we have at this point no plans to change the legislation.

I think that, read in one way, the AMO resolution would be to eliminate interim assistance as a tradition or—

Mr Jackson: No, it doesn't say that, Minister.

Hon Mr Silipo: No, I said, "read in one way."

Mr Jackson: That would be unfair to AMO, and you don't want to get into a letter-writing campaign with AMO right now.

Hon Mr Silipo: No, I don't. I said, "read in—"

Mr Jackson: Maybe you'd want to rechoose your words.

Hon Mr Silipo: Mr Jackson, if you'll allow me to finish my sentence, read in one way, that could be one interpretation. The other is to look at how one could tie interim assistance more closely to eligibility for social assistance, which again would require a change in legislation, which, as I said, we're not at this point anticipating doing.

But there are some things that can be done. One of the concerns, I think, that AMO has brought to our attention which I have a lot of empathy for is the issue of the time

it takes between the decision to award interim assistance and the time for the board to deal with the merits of the case, which then obviously determines the issue of eligibility. That goes back to some of the discussions we were having yesterday about the workload of the board and some steps that we've taken. I'm sure we'll get more into those later on, so I'm not going to delve into those areas at this point.

Mr Jackson: Thank you, Minister.

Hon Mr Silipo: But the one specific thing we are doing in the area of interim assistance is to look with the board at the ways in which there can be a process of determining interim assistance for a period of time, a shorter period of time, and then redetermining whether that financial situation still exists and warrants the continuation of interim assistance. So that might happen after.

Mr Jackson: Well, that surprises me, Minister, because with my background and experience here, if you're in the one breath saying you need legislation changes, yet you can make as substantive an adjustment through regulation as you've just suggested, you can make a similar kind of adjustment as indicated by the AMO request now.

Hon Mr Silipo: No, because the bottom line would still have to be under the present legislation, that eligibility for interim assistance would remain to be determined on the financial situation of the individual, not on the merits of eligibility for social assistance.

1150

Mr Jackson: I understand that. The key word here is that it's automatically being granted. There is some discretion on it.

Hon Mr Silipo: It's not automatically being granted.

Mr Jackson: Well, that's the case.

Hon Mr Silipo: The board in fact looks at the case and makes a decision, and again, when the chair of SARB is up to speak, you can probe that issue with her.

Mr Jackson: Let me ask you a second question then. The other amendment was that the mayors and the elected individuals from municipalities, through AMO, have indicated that "in recognition of the unwarranted issuance of a minimum shelter cost," it has been announced that "effective June 1, 1994, the minimum shelter cost will be eliminated," but "the current legislation continues to provide a minimum amount to be issued for a recipient's board and lodging, and hydro" and so on. You're familiar with this resolution? As such, they have asked that "AMO petition the Ministry of Community and Social Services to eliminate the minimum board and lodging, and hydro amount." Could you advise the committee of your approach to that?

Hon Mr Silipo: We've looked at this issue, even before the AMO resolution, in terms of whether we should make some changes to the board and lodging portion of the allowances, of the benefits that we provide. As I'm sure you know, we've looked at whether we should establish a regional benefit, and at the end of the day we felt there were just as many reasons, if not more, for continuing the present system as making some of the

changes that AMO and others have suggested. So for the time being I don't anticipate that we'll be making any changes to that.

Mr Jackson: Well, Minister, herein lies the great irony I've been trying to get through to you, that your own ministry can't call up Ontario Hydro and ask if a social assistance recipient has paid their hydro bill, but you do have a minimum amount to give them, no questions asked. I really do think, Minister, there is some room for some clear thinking here. I don't wish to oversimplify it, but the municipalities understand this problem, because they can't even go down this hall and ask their own department this information in the process of determining whether or not this is an appropriate payment on behalf of taxpayers and/or, to reverse it, if this person is truly needy.

My final question on social assistance, Minister, is the comparators with respect to the other provinces in Canada. My understanding is that our level of social assistance is among the highest in the country. Perhaps you could furnish this committee with what those current rates are today, with what set of assumptions we're working with in our estimates for the province of Ontario and if there are comparative data. I understand that it's fairly easy to get it for 1992 and 1991, but we're having some difficulty determining the 1993 and 1994 rates, and although that is not necessarily in your mandate, it is clear that we do pay the highest social assistance rates in Canada. That may be good news, but by the same token, we also need to know where we sit vis-à-vis the other provinces in this country. If I could request that information, I'd appreciate it.

Hon Mr Silipo: In think we have—I don't know; I think it's relatively up to date in terms of a comparison chart that shows the rates, the benefits that we pay with other provinces. We'll provide that to you.

Mr Jackson: And would that include family benefits with the disability pensions aspect, or the family benefits separate from social assistance, because I think really the two belong in different categories.

Hon Mr Silipo: We have some of that broken down. Maybe Mr Costante could give us that.

Mr Costante: Yes, we'll have a chart available for this afternoon's session. We have it done by category, so it's single disabled, single employable, sole-support parent with two children, sole-support parent with one child. It's in those types of categories, and then it's by province.

Mr Jackson: Thank you very much.

Mr Costante: Obviously, the comparators are difficult because of the different tax regimes, which we weren't able to measure underneath.

The Vice-Chair: Thank you, Mr Jackson. The time for the Conservative caucus has expired. We're very close to noon.

Mr Hope: Yes, I was just going to raise that. Being there's only a few minutes left before the noonhour and the adjournment aspect until we resume at 2 o'clock, I'd ask that come 2 o'clock, we'd start our side of the questioning. I see that we're not going to ask the SARB

rep, who took the morning off to be here, some questions. I guess it's more appropriate that I just continue on with our line of questioning—

The Vice-Chair: Do I have the consensus of the committee to break now?

Mrs O'Neill: How many minutes are there left?

Interjection: Three.

The Vice-Chair: About five minutes, actually.

Interjection: Can't we argue about something?

Mrs O'Neill: If it would be appropriate, could we get unanimous agreement to have the chair of SARB give an overview, if she wanted to, whatever she thinks would be most helpful—it's interim payments—for the three to five minutes that are left?

Mr Hope: My understanding was—

Hon Mr Silipo: She was here to answer questions, at the request of Mr Jackson.

Mrs O'Neill: Okay. You indicated that maybe her comments would be very helpful regarding interim payments, and that would be helpful to many people, but if we can't get unanimous agreement, we can't.

The Vice-Chair: Do we have unanimous consent?

Mr Hope: Mr Chair, one sec. During my passing, waiving our side of the time, I allowed that time to be rolled over so that this morning we could deal with those questions specifically, and unfortunately that time was not utilized for that part of it.

The Vice-Chair: Nevertheless, Mr Hope, you did waive your turn.

Mr Hope: I'm just saying that the hour that is now left to us and the 25 minutes that will be divided among the three of us after that hour we've utilized. If there are questions, they might have to answer over a phone. I don't know if the person from SARB has the ability to be here this afternoon, but that is at their discretion, not mine. We have a number of questions we would like on the record, and answers from the minister, and I thought we would try to accommodate the opposition this morning. Unfortunately, they didn't take the appropriate time to accommodate themselves.

The Vice-Chair: Is there any further discussion on this matter? The committee is in recess until 2 o'clock.

The committee recessed from 1156 to 1408.

The Vice-Chair: The standing committee on estimates is now going to resume its session and we are studying the detailed spending of the Ministry of Community and Social Services. It is now the turn of the NDP caucus to raise questions and concerns with the Minister. Mrs MacKinnon.

Mrs Ellen MacKinnon (Lambton): Thank you, Mr Chair, and thank you, Mr Silipo, for being with us.

I want to deal with a few questions around first nations, and how the Ministry of Community and Social Services works for them. The first question I have is, what services are being offered to the first nations communities with our Community and Social Services, particularly in the JobLink area?

Hon Mr Silipo: We have, first of all, under existing

programs related to employment opportunities for first nations, funds that are specifically set aside to assist with initiatives on reserves for first nations. There are a number of projects on which we spend annually about \$500,000 that we worked out jointly with the first nations communities. We are going to be through—in fact, I was visiting a couple of those earlier this year to see some of the good things that are happening there. There are such things as using resources to create job opportunities on reserves. One example I can recall from one of the initiatives was in fact to develop a wilderness trail that would be used both during the summer and the winter; developing other employment opportunities for people on first nations so they would then be less dependent on welfare.

Through JobLink we've set aside specific funds in the amount of \$2 million that will add to those initiatives. Again, those will assist with both further activities on-reserve, but particularly for off-reserve initiatives as well, because we know there are large numbers of native people who live off-reserve, who live in urban settings throughout the province, and there have to be, we believe, particular opportunities provided to them, given the high level of reliance they have on welfare. So again, part of the initiatives under JobLink will be to work with first nations organizations to develop some particular programs aimed at assisting aboriginal peoples to be able to break out of their dependency on social assistance.

Mrs MacKinnon: I want to be very clear on this. You say the JobLink programs are also going to be geared to work with and for the natives who live off-reserve, is that correct?

Hon Mr Silipo: Absolutely.

Mrs MacKinnon: I'm pleased to hear that, because I didn't understand that before and I'm really pleased about that.

My next question is also regarding aboriginal services. I would like you to explain please what the aboriginal services transfer initiative is.

Hon Mr Silipo: The aboriginal services transfer initiatives, or ASTI as we've come to know and love it in the ministry, is first of all the way in which we have tried to reorganize within the ministry all of our efforts relating to first nations. It's really the vehicle we will use to make sure that all of the first nations initiatives have some level of consistency to them, that we follow particular processes such as working together with first nations on a government-to-government basis. As you know, our government signed the protocol of an agreement of political relationship with the first nations leadership. We believe it's important in all areas for us to be dealing with first nations on a government-to-government initiative.

ASTI is really the mechanism through the ministry by which we make sure that we are moving on those initiatives, whether they're in the area of social assistance or children's services. We have a number of issues for example dealing with how we work with first nations so they can take greater control of providing services to children. We've talked a lot in these estimates about services to children. As you can imagine, there are

particular concerns that first nations would have about how children's aid societies have been dealing with native children, from the whole issue of intervention when there are problems to the whole issue of adoption.

In all of those areas, from children's services to services for adults, we are looking at and implementing, we think, better ways of dealing with these issues, taking very much the partnership approach in a very, very significant and serious way with first nations.

Mrs MacKinnon: I have one more question here and it deals mostly with your ministry. I would like to know how the ministry's new strategic direction on aboriginal services will impact currently on the ministry practices.

Hon Mr Silipo: Again, to build on some of the comments I've just made, what we are trying to do is to ensure that within all the areas of the ministry, the approach that I've described is very much integrated into the working relationships that each department within the ministry, each branch within the ministry, undertakes. While there is through ASTI the overall effort and overseeing of the initiatives, there is then a very clear responsibility that's given and expected of each of the sectors within the ministry, again to use the examples that we've been using, whether it's social assistance or whether it's children's services, for them to apply that same philosophy and approach in their day-to-day practices and in the way in which they, and we as a ministry, go about making decisions that affect first nations.

Mrs MacKinnon: Could you give me what the current status is in regard to this whole aboriginal services transfer initiative?

Hon Mr Silipo: I don't know how much detail you wish in terms of where we are. We have people here who could go through that in as much detail as you wish but, certainly, in terms of the overall approach, we have been discussing with the first nations, through the Chiefs of Ontario in particular, to ensure that the approach that we are taking is again acceptable to them as a working relationship. I think so far the sense that we've had is, yes, there will be some fine-tuning to that as we go along, and then in each of the areas, as I say, we can get into those in detail, if you wish. There are some additional comments that we could provide around what progress particularly has been made in each area.

Again, for example, in the social assistance area, I mentioned that we already have five projects that we in fact have coapproved with the Chiefs of Ontario—the aboriginal employment initiatives and first nations employment initiatives.

Within the children's services area, there are some significant discussions that we've been having with a number of first nations around the whole issue of transferring responsibility or having the first nations accept responsibilities that would now be handled by children's aid societies. We have just signed an agreement with Wabaseamong First Nation in the Kenora area that will provide them with greater ability to take care of those issues and children themselves. We are continuing to have some significant discussions with OTFS around similar issues, and that is a combination of 14 different

first nations that are coming together.

We're having significant discussions with the Six Nations in the Brantford area. We have, as I'm sure you recall, just recently, together with the Ministry of Health and ONAS, signed and announced the aboriginal healing and wellness strategy, which is a major initiative of this government and of the first nations in trying to bring together a much more cohesive approach; again, having ministries on our side work together much more effectively but picking up very much on an approach that's been strongly suggested to us by first nations in terms of how you deal with all of these problems in a more holistic fashion and taking into account some of the traditional ways that first nations have used and which they have, I think legitimately, said to us have been forgotten by us and not applied as well.

With the additional dollars we're providing for that initiative, we think that will get us very much back on track in terms of assisting, giving again first nations the opportunities they need and want to be able to take care of themselves in their own way, which I think is, again going back to some of the statements I made yesterday at the opening of these estimates, really at the heart of what we're trying to do as a ministry.

Mrs MacKinnon: Thank you, Mr Minister. I'll pass to my colleagues.

Mr Hope: This morning I listened intently, and yesterday, about some of the questioning that was going around and around estimates. I've been a little puzzled because I think Mr Elston started yesterday on an approach that I think was right. But I'm going to try something and hopefully it'll help me to understand some of the normal language that's being used out there in perspective to understanding about Jobs Ontario and understanding about welfare and stuff like that. You've got to bear with me with these questions because just out of the conversations and hearing this morning we need more money for more programs but yet policies of political parties don't coincide with what the individual was talking about today in this estimates process.

First of all, I would like to know—because we tout Jobs Ontario as being a key mechanism of helping people to get off social services. There is a document that floats around and I think it's still on somebody's horseback that's riding across this province, I think it's called a revolutionary document. That document clearly indicates that it would scrap Jobs Ontario. Knowing how the Tax Fighter is out there talking about reduction in provincial taxes and everything, I'm wondering about the effect—that if this government was to cancel the Jobs Ontario program, what impact would be to your estimates on the social assistance claims that we would be paying out, and I'm wondering if you have a basic analysis.

1420

I know I'm asking a question for which you may not have the information before you, but I think it's important for us to get an understanding. If we were to cut the Jobs Ontario program, slash it, burn it, do whatever we want in a revolutionary document, what impact would that have to your estimates process dealing with your calculation of welfare costs to this province?

Hon Mr Silipo: We talked earlier about the effects that Jobs Ontario training has already had. The figures I quoted earlier, I think this morning, were of some 60,000 people across the province that have been placed in permanent jobs—as permanent as any jobs are these days—but clearly jobs where part of the requirement is that they be not temporary jobs but ongoing jobs. Of that number, we know that over 19,000, probably closer to 20,000 at this point, would be people who are on welfare; and even those who aren't presently on welfare from among that 60,000 would be people who've exhausted their unemployment insurance benefits. Again, they would be people who would otherwise be eligible fairly soon for welfare.

When we look at all of that we know we are obviously providing some very useful training and, in most cases, a job to individuals so they can take care of themselves and their families, but it's also resulting in some significant savings for us.

We can give you the specific numbers in terms of the estimates that we have. I don't have them here at my fingertips, but they're well into the hundreds of millions of dollars over the time frame of the initiative. If we were to stop, that would be the effect, that we would be having to look at hundreds of millions of dollars more in welfare costs that we would have to be paying. We believe very strongly that providing people with opportunities to get jobs and providing people with jobs is exactly what we should be doing.

Jobs Ontario Training is an employer-based program that is working. It's a relatively cost-efficient way, because what we are doing is for about, on average, less than \$7,000 per job, we are, first of all, creating a job, employing someone who has been on welfare or would likely otherwise be on welfare fairly soon. We are therefore providing that and we are creating jobs that are, on average, with an earning capacity of about \$21,000, \$22,000. One might say that doesn't sound like a lot of money, but compared to what one gets on social assistance it is. By doing that, we're giving people again the dignity that they want and need and we are saving hundreds of millions of dollars—Kevin, to the tune of what?

Mr Costante: This year we have assumed savings in social assistance for 1994-95 of \$69.1 million on the assumption that slightly over 10,000 social assistance recipients will get jobs through Jobs Ontario. That's just for this fiscal year.

Mr Hope: With that, following a question—and Mr Cope might be able to help me with this—what would be a 20% reduction in your budget? Your ministry's overall budget is X billions of dollars. What would be a 20% reduction of that, if you could help me with this?

Mr Cope: It would be just under \$2 billion.

Mr Hope: So a \$2-billion hit would be under a policy that's floating around out there saying they would reduce all ministries by 20%. The same person who was again this morning talking about a particular case—and I'm very sympathetic to the particular case the individual is bringing about making community living a priority; I support all those initiatives. But when we sit here and it's

talked about by a person whose political party believes in reducing the budget of this ministry by 20%, which means the \$2 billion you're talking about, which is a big cut in my estimate, that would totally eliminate the community living program in the province of Ontario and even go further beyond that. Then putting \$69.1 million on top of that because you've got a cost—we're talking about reducing a lot of money here by a policy that's floating around out there.

I just needed to know that part, because you have to deal with very important issues lately. We hear from the taxpayers, who are saying, "Don't raise taxes, no high deficit, and maintain services." I know when economic recession hits, your ministry is one of the key ministries which is focused on supporting people, and you have indicated that in your speech.

I'm just curious: With the \$2-billion reduction, hypothetically—I'm only speaking hypothetically, okay? With a hypothetical \$2-billion cut in your budget, an added \$69.1-million levy on to your budget, just out of curiosity, what type of decisions would you be faced with in a scenario of that nature?

Hon Mr Silipo: Probably resigning. Seriously, I'm not sure how you could fathom those kinds of reductions. I mean that very sincerely, and trying as hard as possible not to get into partisan bickering. But that's a significant point.

If the Conservative Party feels that one could take \$2 billion out of a budget like that of the Ministry of Community and Social Services, you would be looking at thousands, if not hundreds of thousands, of people in this province who are dependent, for very good reasons and none of them of their own making, on social assistance, people who are dependent on the child care that we provide, people who are dependent on the development of the services that we provide, quite frankly not getting those services. I'm not sure how one could even begin to fathom those kinds of reductions.

We've obviously had to look as a ministry, as all other ministries have had, at ways in which we could contain our costs, and I think, in light of the pressures and the demands, we've done a reasonably good job in trying to do that. We've cut from what would have otherwise been growth in the ministry significant amounts of money.

But to go from what we've done to a cut of that nature would just mean that you would either be having, as I say, thousands of people who now are receiving social assistance benefits not getting them, or getting them at a significantly reduced level, or there not being the level of child care that we have in the system now or there not being, clearly, the level of developmental services, the shelters for women who are victims of abuse and so on and so forth. Those are the kinds of things you would do, because when you get into that range of cuts, you can't do them in a small way.

Mr Hope: I was basically trying to understand. Mr Elston clearly indicated yesterday in the other committee room about a particular case in his riding in which somebody is trying to obtain services. While we're trying to make sure that services are in a community, we also have to deal with the other pressure of the general public

saying, "No more taxes, spend wisely, do all these good things."

This morning we heard about a particular case in a certain area which is dealing with an individual and providing services. I just wanted to get a better idea, because I'm hearing comments that are being made out there about major reductions, and when I sit in these committees I hear, "We have to do more." But the other side of the story says something totally different.

I'm also curious—I mean, we look at your budget dealing with welfare, social assistance. The general public is saying, "Why don't we make people work for that money?" I hear it probably as well as most people hear it in their own communities: "What about workfare? Why not make these people go out there and start shovelling the sidewalks, clean the sidewalks, shovel the snow off the sidewalks, do all this good stuff?"

Has there been any analysis from the ministry? I'm getting tired of hearing people saying, "Workfare," and nobody knowing what an end result is. They're touting it as a way of helping our social assistance costs, and I don't see that. I see it as a way of keeping and maintaining people there because we're not providing training and skills development opportunities for them to improve their marketing ability. I'm just wondering, from your perspective in the ministry, have there been studies across the province, to the best of your ability, about workfare?

Hon Mr Silipo: Yes, we've looked at experiences in other jurisdictions on that. First of all, let me just say that I think when one talks or hears talk about workfare, we have to understand, at least as I see it, where that comes from and why we have those views.

We have been living through probably the worst recession—not "probably," certainly the worst recession since the Great Depression. That has meant that many people have lost their jobs and many people have had to rely on social assistance. Again, we could get into a lot of discussion about why that's happened in terms of the effect of such things as the free trade agreement etc. As I mentioned yesterday, we've also had to deal as a ministry and as a government within that with the offloading by the federal government, both the previous Conservative government and the existing Liberal government, on to us of a great chunk of the welfare costs, to the tune of \$1.7 billion a year. So that's meant we've had to increase our expenditures or make the decision to not provide that basic support to people.

1430

That's created, I think, a sense among the general population, who I think if polled would say, as I think we're seeing as we talk to people, "Yes, we understand that support has to be provided," but there also is created, I guess, a little bit of resentment if people are losing their jobs, saying: "What is happening to those people who are being able to receive social assistance? Should we be doing something to ensure that they are in fact doing something in order to get the money they have?"

So I understand that kind of human feeling, which I think comes much more to the fore during these difficult times. But what I think we have to be able to say to

people is that that isn't going to be the solution, that isn't going to be the way in which we're going to get both the human suffering that comes with people having to sometimes turn unwillingly to social assistance but also the weight that it puts on all of us as taxpayers.

The way in which we can do that is by doing that which many people who have looked at the whole issue of social assistance and how one can creatively and sensibly run a system like that, which is after all the system of last resort, how one can improve that system. What study after study has consistently said to us is that what we need to do is to give people the opportunities to exit the system, and if those opportunities are given to people, if those supports are provided to people, they will take advantage of them.

So we don't have to resort to the notion of workfare, in theory or in practice, as the way to help us out of the dilemma that we're in. What we have to do is exactly what we've been discussing that we're doing under Jobs Ontario Training. What we have to do is to do exactly what we're doing under JobLink, which is to provide people with the training opportunities and the connections back into the workforce.

We know that can be done both through initiatives like Jobs Ontario Training that connect the training directly to a job at the end of the day in a more immediate fashion, right through to a whole bunch of other supports that we need to provide to people that take into account the fact that of the 1.3 million people across the province who are now relying on social assistance, you have a significant number of people who, with some short-term training, can reconnect back to the workforce as the new jobs are being created and we have significant numbers of other people who require such basic things as a high school education.

We've got that whole array of people. We've got people with two-parent families; we've got a lot of single-parent families, particularly single women with children, who need much longer support than simply a two-week or two-month training program.

Again, one of the significant pieces of JobLink is to provide that whole array of services and supports right across the spectrum so that when we look at the people who are on welfare, and we know generally in terms of the categories that they fit in what their general needs are, what we have to do is to then translate that down locally to the system so that a worker sitting down with an individual recipient can map out a course of action that will get that individual recipient not just back technically into the workforce but back out in a way in which that person can take care of themselves and their families. That, after all, is what all of us want for ourselves, that's what we take for granted as something that we would like to have, and the vast majority of people on welfare want nothing more than that.

There will be, obviously, also people who, because of a number of reasons, from severity of disability to age, may not likely be able to re-enter the workforce or re-enter it in a full-time capacity, and again we have to be, I think, tolerant and understanding of that. I think the people of Ontario understand that as well.

But what I think we need to do as a province is to be talking more about that, doing more in that area, and showing people how in effect the initiatives under Jobs Ontario, the initiatives under JobLink, will actually assist people to break out of that dependency on welfare. That's good for those individuals and it's obviously good for all of us as taxpayers.

Mr Hope: In your presentation you talk, and then you talked again, about the issue of the federal government's lack of support. We could talk about the \$1 billion, but my understanding is that it's still not stopping your ministry from making progressive moves. You indicate social assistance and improving standards and helping people exit the system; you talk about child care. I'm just curious: What is your government doing, and even in this budget, to deal with individuals—you talked about individuals who need longer supports who are single parents—

Mr Jim Wiseman (Durham West): Divorced.

Mr Hope: Yes, separations. I'm hearing about the family of the 1990s now, I guess is the terminology that everybody uses, because there's so much separation that's occurring. But I'm wondering what type of support programs there are—and let's deal with child care specifically—for those individuals who don't want to be on social assistance. Not everybody wants to be there, but what are you doing to help those individuals to return back to the workforce or stay in the workforce but yet provide adequate child care for their needs?

Hon Mr Silipo: Child care is one very significant support. We've added to the system some 16,000 subsidies. If you look at our budget on child care, it was \$350 million back in 1990; it's going to be \$565 million this year. That's about a 62% or 63% increase, a significant amount of additional money that's translating into additional spaces, additional centres in the system. A lot of that has gone into assisting people in exactly the kind of situation you describe: single parents who need that kind of support as they take advantage of other opportunities that have been provided to them to be able to again take care of themselves and their families.

Add to that what we are doing and what we want to do even more in the area of a program that we call STEP, the supports to employment program. Under that initiative, people who are on social assistance are able to work and keep a certain portion of the money they make, so they're able to in effect add to what they're getting on welfare. There's a reduction at some point of the benefits that they get, but they don't lose all of their benefits if they get a job. So that's another way, again, of encouraging people. We have almost 94,000 people who are taking advantage of that. What that means is that we are saving money we would otherwise be paying to people on welfare if they were simply receiving the full amount of benefits they're entitled to.

So those are just a couple of things that we're doing, and again under the initiatives we've been talking about under JobLink, we're going to be able to do a lot more of that.

Mr Murray J. Elston (Bruce): Mr Chairman, just on a point of order: I missed those figures, or at least I think

I misheard the figures that were initially made by the minister. Could I have him repeat those?

Hon Mr Silipo: Yes. I outlined them yesterday in my statement, so if I've misstated them it's probably because I'm not remembering them correctly. But the child care number I gave was that \$350 million was what we were spending in 1990, and \$565 million is what we will be spending this year.

Mr Elston: Thanks.

Mr Hope: I just want to say, because I know my time's running short here, it's nice that I was able to ask these questions about the impact of cutting Jobs Ontario and knowing the \$69.1 million that will be levied to your estimates, and also knowing that a 20% reduction to your budget would levy a \$2-billion cut in your budget, and knowing and understanding the concerns that have been expressed here today and yesterday about providing services for disabilities. To go that route down the road would not enable us to perform services that are vitally needed outside the social assistance round but also dealing with the disabled. So I want to thank you for your analysis on the impacts that a Conservative policy would have on the budget in the process that you're in.

The Vice-Chair: The time now for the New Democrats has concluded. We have approximately two hours remaining in our estimates with the Ministry of Community and Social Services, and I'm in the hands of the committee as to how we would divide that up. My suggestion would be that we turn to the Liberals for 40 minutes, to the Conservatives for 40 minutes and then to the government.

Hon Mr Silipo: There's a round that the government members missed this morning, I believe.

The Vice-Chair: No, they used it just now. Is that acceptable to committee members?

Interjections.

Hon Mr Silipo: I believe there was another round.

The Vice-Chair: I don't think so, Minister. I believe they gave up half an hour this morning and we just used it now.

Hon Mr Silipo: But we left off this morning with Mr Jackson.

1440

Mr Hope: We have two hours and 28 minutes left in this process, which means we regain our half hour. Our total allotment of time would be the 40 minutes which he's talking about, plus the additional half hour.

Mr Jackson: Which you just took.

Mr Hope: No, no, it's an additional half hour.

Hon Mr Silipo: I'm in the hands of the committee, Mr Chair. But I know that in the sequence this morning there was—

Mr Hope: There are two hours and 28 minutes left in this process, which means the half-hour still owing to this side from this morning—we'll say it's 28 minutes; I'll give a concession of two minutes. There are two hours left to divide between the three political parties, which means there's 40 minutes per caucus left in this process. That means I get 40 minutes plus 30 minutes, which is

equivalent to 70 minutes total for this side of the House, and they still only have 40 minutes left.

Mr Jackson: It's new math.

The Vice-Chair: Is it acceptable now to go to the Liberals for 40 minutes, to the Conservatives for 40 minutes?

Hon Mr Silipo: My understanding this morning was that in fact what was left was about half an hour or so for the two opposition parties basically, and the balance of the time was government time. But again, I'm in the committee's hands on that.

Mrs O'Neill: Okay, we're willing to begin, if everyone's agreed.

The Vice-Chair: We now turn to the Liberal caucus for 40 minutes for questions.

Mrs O'Neill: I would really like to say that I agree with many of the things the minister has just said, but I do still feel that the STEP program changes have certainly not made it as easy for people to access that program. I think the minister himself agreed yesterday that the STEP program is still not well known, that the administrative structures of that program are still complex, and I would certainly feel that work in that area would continue.

I also would like to remind the minister that the opportunity planning projects are still out there as pilot projects and I have been waiting very patiently throughout your entire mandate to see what the decisions are going to be. There are some very, very good stories on that program, but the problem is that they're limited to, I think, under 10 centres in the province, and that concerns me. I think it would improve the goals you have just stated that you have for yourself.

Hon Mr Silipo: Can I just very quickly make a comment on that, Mrs O'Neill?

Mrs O'Neill: Okay.

Hon Mr Silipo: Because I agree with you that a lot of those employment programs in fact have shown some very good ways of how things can happen. I can tell you that as we structured JobLink, we looked very much at the experiences in a number of those particular initiatives, certainly the one in your own area of the province which has been working very well.

So again, we see that while on the one hand we have a job to do to continue those particular initiatives in those communities where they exist, part of the discussion that's going to have to take place is how we weave those initiatives into the broader JobLink initiatives and how we develop JobLink in a way that picks up very much on many of the good things we've learned from those employment opportunities projects.

Mrs O'Neill: I hope that will happen.

Mr Minister, we were on page 67 in child care. The child care conversion initiative is on this page and I just want to state that I've had a letter outstanding to you since April 25 regarding the conversion project. Last year, in August, I got what I considered quite a thorough explanation of where we were with this project and how many centres were in various parts of the process. I don't

know what the problem is with answering the letter this year, but I just leave that for you to investigate. Maybe you can answer some of my questions now, or someone who is present could.

The child care conversion in this particular document is at \$2 million. As I understand it, and this letter is my background for understanding it, the one I received last year, last year we were spending much more than that, in fact about 10 times, plus \$2 million. So where are we with the child care conversion? I'm talking to the changes from 1993-94, down at the bottom, and if there are other sections of this estimates book that talk about the conversions, I'd certainly like to be brought up to date on that.

Hon Mr Silipo: I was looking, Mrs O'Neill, because I thought we had pulled together in fact a chart that showed what we had done so far in terms of conversions and how we were planning to get to the target that I outlined yesterday in my opening statement by 1996.

Mrs O'Neill: Okay, because we have nothing to back up your opening statement at the moment, and as I say, I don't have the answer to my letter. There are a lot of people out there wondering where this program is, because some people think it's frozen. Your statement yesterday indicated it wasn't frozen.

Hon Mr Silipo: No, it continues.

Mrs O'Neill: But it's certainly underbudgeted. You cannot do much conversion for \$2 million. It's just not very possible when we're talking about capital and buying out of private investors in child care. That money just doesn't go very far.

Hon Mr Silipo: The amount as I recall should be larger than that, so perhaps we can get some explanation from officials about that.

Mrs O'Neill: Have you got anything in writing on the update of the project as you mentioned it?

Hon Mr Silipo: We have that.

Mrs O'Neill: If we could have that tabled with the clerk, it would be helpful.

Ms Roch: I think that \$2-million number is the additional dollars we have this year.

Mrs O'Neill: I'm sorry. I have difficulty at this end of the room hearing.

Ms Roch: The \$2 million you are referring to I believe are the new dollars that we got into our base for this year.

Mrs O'Neill: The new which?

Ms Roch: The new dollars that were transferred to our base. We already had some dollars last year.

Mrs O'Neill: Could you tell us what the dollars are that are remaining from last year regarding the conversion project?

Ms Roch: What I can tell you is what we have budgeted in total this year for child care conversion.

Mrs O'Neill: That would be helpful. That's a start.

Ms Roch: That's \$6.6 million.

Mrs O'Neill: That's still a very low figure compared to last year's, if this letter I got from your ministry last year is accurate. So you're talking about \$6 million for

this year. I don't think that will achieve the conversions the minister outlined yesterday.

Ms Roch: The way the initiative was set up was we had a certain amount of money over five years. In 1992-93, we spent \$3.7 million on conversion; last year we spent \$4.6 million on conversion, and this year we have \$6.6 million budgeted for conversion.

Mrs O'Neill: Then I'll have to review the figures I have here, because they certainly weren't as low as those. Would you be able to give us a written report on this project as it's progressing, then, and the projection the minister has in his opening remarks?

Ms Proctor: I'm going to ask the director of child care to speak to the numbers that have been circulated in terms of explaining how that is.

Mr Ron Bakker: I'm Ron Bakker, director of the branch. Do you have the handout in front of you? It's coming around.

Mrs O'Neill: Thank you. I have it now, yes.

Mr Bakker: This handout summarizes where we're at with the project to date. You can see down the left-hand column the number of letters of inquiry from commercial operators, and the totals are on the far right-hand side. I won't read all the numbers, but the number of inquiries, and this is to the end of June 1994, is 217.

Mrs O'Neill: Are these from the very beginning, sir?

Mr Bakker: Yes, they are.

Mrs O'Neill: All right. I think this will be a beginning at least of the answers to my question. So where are the other \$4 million shown that you have just stated, Ms Roch, on the child care conversion? Where can we find it in this budget? Would that be in the capital projects or where is that?

Mr Bakker: I'm not sure. What figure are you referring to?

Mr Cope: Can I try to answer that question? It's in the base part. What you're looking at on the bottom of that page 67 is the increase for this year.

Mrs O'Neill: From four to six.

Mr Cope: Yes. But up in the child care area, up in the child care line above, at the top of the page, is where you'd find the rest of the \$4 million, down in the child care figure.

Mrs O'Neill: Okay. I think that's sufficient on that for the moment.

Could I go now to the young offenders, which is on the same page. Young offenders is a 10% increase. Is that volume or is that increased services or is it an increase in opening of secure detention facilities? What is that increase, which is a relatively large increase? Mind you, it's not much different than the actual. Again, as I say, I find these figures not always telling it exactly the way we need to be told.

1450

Hon Mr Silipo: This was an infusion of additional money to allow us to deal with the real pressures that were there in terms of the request for—real needs for additional spaces, additional beds. Again, I think Sue Herbert can speak in more detail on that, but it was an

influx of additional dollars to help us deal with that.

Mr Jackson: These were federal dollars, too; they appeared in the budget, because I raised that question.

Hon Mr Silipo: No, these were our own dollars.

Mr Jackson: There are some additional federal moneys put into the YOA for that reason.

Hon Mr Silipo: There may very well be, but they're not reflected here in these numbers.

Mrs O'Neill: Is there anything further from the staff on this one?

Mr Herbert: If you would like the increase statistics, I can give you those, or I can provide them after.

Mrs O'Neill: I'm sorry. I missed what you said.

Mr Herbert: Sorry, Mrs O'Neill. I can give you the increased service statistics now, or I can provide them later, if you would like them later.

Mrs O'Neill: If you could do that according to area, that would be very helpful.

Mr Herbert: Yes, I can do that.

Mrs O'Neill: Okay. The child welfare services: I presume that includes the CASs, which is just a couple of lines above here, still on page 67. It indicates that we are going to be—it looks like a decrease. Again, it's an increase to the actuals, so is that just a misreading? I always find that column, percentage change in estimates, very confusing. You said yesterday you were going to increase indeed the exceptional circumstances review money, for instance, so is that figure inclusive of that, child welfare services?

Hon Mr Silipo: Yes.

Mrs O'Neill: Are they actually going to be maintained as they are this year? I guess that's my question.

Mr Cope: Yes, that increase of \$5 million in the ECR funding is in there. The reason it doesn't show in that total is because there are also decreases for—

Mrs O'Neill: Expenditure control.

Mr Cope: —the social contract and the children's expenditure control plan which offset that. The major decrease there that you see is actually the other side of that YOA question that you just asked. It's all part of the same block. It's part of the expanded exceptional circumstances program to include the YOA program, so that what you're seeing is just a realigning of the money that was in the ECR area in child welfare and is now down in YOA.

Mrs O'Neill: Okay, that's quite interesting. On that page, the dual diagnosis-OHIP transfer to MOH, could you just say a little bit about that, and is that including schools such as in my area would be the McHugh school? Is that what we're talking about here in the dual diagnosis or is it something else?

Mr Cope: I don't know the specifics on the program but it is a program that used to be in the Ministry of Health that was determined was more appropriately in this ministry's responsibility, and so the funding was transferred from Health to our estimates.

Mrs O'Neill: So it's not the programs that are confounded by those two ministries, then?

Mr Cope: No.

Ms Roch: If I can speak to this: Lucille Roch, children and family services. Treasury Board approved \$1.4 million last year to the ministry. They reallocated that money from OHIP, which then allowed us to fund some day treatment centres in southern Ontario as well as provide some residential treatment and case management services for children with dual diagnosis in northern Ontario. So these were new moneys transferred to us from OHIP.

Mrs O'Neill: Okay. Is eastern Ontario going to get any of that eventually? I don't know. I heard a couple of other areas mentioned. Because, as you know, we have a program that's very important up there that's in jeopardy or is under very close scrutiny at this moment, and I would think that would fall somewhere in there. I might be wrong.

Ms Roch: We will be getting additional dollars for 1994-95 to the tune of about \$2.1 million. We are currently in the process of doing a proposal call in terms of providing these additional services.

Mrs O'Neill: I hope you'll send extra copies of that proposal call up to eastern Ontario.

If I may now go to the section on employment services on page 77, which is really tied in with the section we've just done on child care, could you tell me what that's all about, what that funding is actually going towards?

Ms Roch: This is a program that allows us to provide some additional dollars to municipalities that are providing services to people who are seeking employment. So basically they're eligible for additional dollars and they're both child care subsidy dollars as well as some informal child care dollars.

Mrs O'Neill: So this is totally divorced from the child care, Jobs Ontario; this is the old subsidy program. I'm glad you're still putting some moneys into that, because some of the municipalities are certainly using it effectively.

Mr Jackson: Mrs O'Neill, could I just ask a supplementary? I understand there was a policy change—

Mrs O'Neill: Mr Jackson, we have not been operating this way. I'm sorry. I think you can use your time when your time comes.

Mr Jackson: I was simply seeking a courtesy. I apologize.

Mrs O'Neill: Page 61, if I may go back to that page, please.

Interjection.

Mrs O'Neill: Well, I think we are operating in this manner and have been for the last two days.

I'm concerned, on page 61, with the halfway houses, which is the second line from the bottom there. Maybe there is an explanation and maybe it will be acceptable, but a 10% decrease at this time, when again we're doing so much deinstitutionalization and many of us are being told quite horrific stories in our constituency offices, what is that all about? Again, we have it under budget quite a bit, by \$2 million almost, or certainly \$1.5 million, in 1993-94, and now we're kind of riding another little

wave. We're going to put a little more money into it but we're not going to go where we were in 1993-94. Halfway houses do serve quite a need in many, many communities, so what is our policy thrust there?

Mrs Herbert: Sue Herbert, ADM of program management. There are a number of reasons for this reduction. The most obvious one obviously is they too were impacted by the broader public sector and the ECP reductions. As well, this is a volume-driven program that operates on a per diem, and if you'll note the actual expenditure—we go back to your comment about comparing actuals and estimated amounts. In this case, they traditionally have run under their volume indicators in their per diem payments, so I think this is partially a reflection in our estimates of that reality. David, have I captured that correctly?

Mr Cope: Yes. If you look at the past history, it's been about \$6 million a year, and we've had estimates of \$8 million, so it's reflecting some of that now.

Hon Mr Silipo: The actual to actual from 1992-93 to 1993-94 sees an increase, but as I think has been said, below the estimates. The \$7.3 million that's there we think is a more realistic estimate of what we'll actually need this year.

Mrs O'Neill: If I could ask also on that page, there seems to be quite an increase in the interpreter intervenor services. I'd like a little explanation on that. There are a very small number of people in the province who are involved in this service. Why is there such an increase here? I doubt the need has increased, because we're talking about a very small portion of the population, so what is the reason for putting so many funds into that area at this moment? Is there a call from various parts of the province?

Mrs Herbert: We have had, as you know, some very specialized service. We have had an increase in the service in the north, so some of this would be actual service increase. How much exactly, I would have to go back and get the service stats for you. I can do that.

1500

Mrs O'Neill: Has it to do with ASL being brought forward into different settings now and it's a different form of sign language, or is there a transition there?

Mrs Herbert: I believe—and Brian has a more specialty—much of this is deaf-blind intervention.

Mrs O'Neill: You say it's prevention?

Mrs Herbert: No, intervenor work with the deaf-blind.

Mrs O'Neill: Yes, I know. Are you suggesting—okay. I realize that. I guess what I'm wondering is why there's such an increase. I'm wondering if it has to do with changing the language of the sign language.

Mrs Herbert: I don't believe so. I actually believe it's part of, as we try to integrate individuals with severe handicaps into the community, there's been an increased demand on intervenor services to work with them.

Ms Proctor: I would add that we got a particular increase as well for new graduates of the W. Ross MacDonald School because some people were graduating

from that program into community, and so there was required to be some new money there. That would be showing up as well.

Mrs O'Neill: I guess my follow-up question would be, then, are you telling me that the graduates of these programs are getting better supports both onsite in their education and/or when they graduate? Are you suggesting that, for instance, they're getting supports as they are going to their jobs, interviews and this kind of thing?

Mrs Herbert: For the specific graduates of Ross MacDonald we have had for about the last three years, and continue to have, a planned process for the graduates, so that we know every year how many individuals will graduate from Ross MacDonald. We have built in a system for additional money and services preplanned for them as they graduate. While they're in Ross MacDonald they work with the Ministry of Education, but in their final year we have a case management transition plan and we provide additional dollars for them as they graduate.

Mrs O'Neill: That's relatively new.

Mrs Herbert: About three years now, I think, the planned process.

Mrs O'Neill: I'm going to go back to page 29. I skipped something there that I feel I'd like to, if I may, talk to. That is the policy and program development projects being so far under budget in 1993-94. You had budgeted \$350,000 and you spent \$26,000. You're going back now to \$350,000. What's that all about?

Ms Proctor: I'll speak to that briefly. The line in the budget is for money that the ministry has to spend on research projects. As part of our overall efforts to control costs, one of the areas that we've really tried to constrain is our own spending, and one of the areas that we underspent in the last year there was the whole area of research. We were prioritizing, I think, trying to restrain on non-service-related costs, and that's a research type of budget for research grants and so forth. We've underspent in that area in order to control costs.

Mrs O'Neill: But it doesn't seem, at least, you want to do that again, or you're planning differently.

Ms Proctor: We've continue to have the money in our budget. I think there are certainly a number of things ongoing in the area, but we will also be watching that line in our budget very closely this year as we try to balance.

Mrs O'Neill: It may not be the best place to find economy. But anyway, those are the decisions you're making. Did you want to say something, Minister?

Hon Mr Silipo: No. Sorry. I was chuckling because what came to mind when you said that was that we don't—given the choices we have, it unfortunately has to be one of those. It's not a large amount of money relative to what we spend elsewhere but it helps all along.

Mrs O'Neill: If I can go to 101, this is something I was bringing forward this morning which I'm still having some difficulty with and I think several people in the province are having difficulty with. That is to do with the developmental services and the supportive services that go with them, particularly supported employment. You look like you're going to put quite a bit of effort into

that, yet if I look at the budget, it's half of what you put in last year in the actuals.

Like I say, comparing estimates to estimates doesn't make that same message, but actuals to estimates, you're cutting the budget in half. What are we talking about with the supported employment? That seems to be quite a difference.

Mr Jackson: We sure lost a lot of people with that question.

Ms Proctor: Yes, exactly. We're just looking for the explanation—

Interjection: Shows it's a good budget.

Ms Proctor: —between the difference. From estimates to actuals was increased costs in terms of actual expenditure in the current fiscal year related to a down payment on proxy and pay equity payments that went out.

Mrs O'Neill: You're talking about \$7 million? Surely not.

Ms Proctor: Not only in that area but in some other areas as well. There's a transfer in terms of residential services requirements from MYP to bring money into this particular budget, which is why the whole overall line goes up 7%. So both of those things affect the overall line.

Mrs O'Neill: I'm sorry. This answer is too confusing for me. I'm sorry, it just doesn't fit the bill. I would like to look at the one line, "supported employment." I've looked at the other lines quite closely, but surely the pay equity, no matter what that costs, could never deal with a \$7-million change within-year. That's within-year.

Ms Proctor: I'm looking to see whether we have an immediate explanation for that difference, and we don't on that particular line. So may I undertake to get back to you with an explanation of that as part of our overall response?

Mrs O'Neill: And how it relates to the present budget figure, which I think is also quite relevant.

Ms Proctor: Yes.

Mrs O'Neill: This is an area that's of real interest as we talk about the sheltered workshops. Now, I look at the sheltered workshops line above and I don't need a question on that. It looks like you are still kind of on hold on those, and I think maybe that is the best approach, from the readings I get from the people whom I deal with. You're going to get back to me on that one.

Ms Proctor: We will.

Mrs O'Neill: I'd like to go then to the capital part and I'd like to begin with 113, which is the child care. This is a figure that I'm sure would be of great mystery to many communities and certainly to many individuals and even child care operators in the province. The figure that people throw around is that there are over 10,000, some people go up as high as 17,000, empty spaces in this province. Some of them are, no doubt, not where they are needed, but I would suggest the largest capital outlay in this ministry is for child care: \$44 million. If we want to look at that, that could be four secondary schools.

In other places, you have mentioned, Minister, that there would be \$10 million each year, starting in 1996, to build 30 new child care centres each year, but this particular year we've put \$44 million into the budget. I presume it's tied to Jobs Ontario—partly, at least—but it just seems to be an awful lot of money, in a year of restraint, for an initiative that has quite a few questions attached to it. So maybe you'd like to try to explain to us why you felt that that had to be a top priority for the capital budget of your ministry.

Hon Mr Silipo: Simply because we think that when we look at all of the needs that exist in the capital area that the child care needs stand apart in a way, and that for us to be able to expand the child care system, we can't do it without also expanding the number of centres that we have. It's as simple and as crucial as that. So we have been adding over the last number of years money specifically so that we can open up new centres or rebuild old centres, and that's what the \$44 million here reflects.

Mrs O'Neill: Mr Minister, that troubles me some, because you know and I know that 90% of the children in this province who are in child care are not in centres. They're not in non-profit centres. They're not even in commercial centres. They are in various arrangements. This figure I don't think is going to change many of their lives, simply because their parents cannot afford and are not going to be able to afford, unless there's major child care reform or unless the subsidy situation changes—and that, as we know, is the reason that the empty child care spaces are there.

I've got a beautiful child care centre very close to my office. Every time the operator gets a chance to bring me in, she brings me in and tells me—it happened to be built under our government but it's being continued to be funded under yours—that spaces are still empty. It's in the middle of a situation that's subsidized housing. The needs are there, but the people whom they're supposed to be serving can't be served.

1510

This is why this initiative is a great question to me. I know they sound very political, my questions, and they are, because this is a very political question. If you look at all the other capital projects, including violence against women, Jobs Ontario Capital, young offenders, this is the largest by far of the capital projects. I think your answer begs further explanation.

Hon Mr Silipo: I can appreciate your position on it. Maybe we just simply disagree. We believe it's important to continue to expand the number of centres that we have across the province, and we therefore need to do that.

I don't disagree at all with your position on the issue of the need for funding reform. That is something we are continuing to work at. As I said yesterday when we talked about this issue a little bit, I'm optimistic that with our discussions with the federal government, if they're prepared to translate what they said to us into real financial commitments, something will also happen on the funding reform. If that happens—or when that happens, because that's an issue that's going to have to get resolved some day soon—then one of the things we will find ourselves

in if we don't have the structures there is that we're going to have the dollars to do the funding reform but not the physical spaces in the system.

What we've been doing is trying to move both pieces along. Obviously we've managed to do a little bit better on a comparative basis on the capital side in terms of getting those structures in place. I think we would all agree that there are a number of spaces vacant in each of the centres, but I'm not sure you would find too many people who are served by each of those new centres we've opened who would say they would prefer that the centre wasn't there. I think that's something we need to keep in mind too, that these capital dollars are responding, through additional centres, to some needs that clearly exist out there.

Does it resolve everything we're trying to do in the area of child care? Absolutely not. But when we do get the funding changes that we want and you want, then I think we will be glad that in fact we've put the money into expanding the centres, because then it will give us an opportunity to get those spaces filled where they are not full now, and perhaps even to expand.

Mrs O'Neill: I guess we do disagree, because children are all about the future and there are many children right within the circle of this building who are not being served with child care. You know the list in Metro is very long.

The way you've chosen to spend child care money is certainly a decision that is very much of this government, whether it's capital or whether it's conversion. I think some people would find it a little easier to take if there was a little bit more balance in the way in which things are done.

Many communities are trying to prepare for when the time is going to come that the Jobs Ontario 100% funding for child care is going to dry up. My municipality in particular is taking long-range planning on that, but that's a very big onus on the municipalities to plan for that. I think I'm very happy that mine has got the foresight to do that.

I guess these are political decisions. You've given your explanation, I've given my concerns, and I think that's where that part of the argument has to end.

The only other area I would like to ask a little bit more about—how many minutes?

The Vice-Chair: You have about five minutes, Mrs O'Neill.

Mrs O'Neill: The attendant care section of your ministry and where it fits and where you still fit into long-term care I think are still questions. We've had a lot more questions than maybe you would have expected. People are missing you in long-term care. They're missing your presence in the announcements. They wonder if there are still any partnerships between yourself and the Ministry of Citizenship and the Ministry of Health on this issue. Some people feel quite fragile because they don't see that. I would say the disabled and the attendant care people, and all of the uncertainties that surround direct funding, those are the people I'm talking about at the moment. So you may want to say something.

Hon Mr Silipo: Just very briefly, because again, I understand very much the concerns that you're expressing; I've heard many of them expressed directly to me. What we've tried to do as a government under the long-term care provisions is to work very closely and systematically towards bridging some of those responsibilities that we've had, particularly with the Ministry of Health's responsibilities. We've talked a lot here in these estimates on the issue of children's services, in particular about the overlapping responsibilities of different ministries. This is one where I think we've done the work that needs to be done as a government, which is to bring together those different responsibilities—the health-related responsibilities and the community services-related responsibilities—all of which fit together, under one group of people, one group of officials and one system.

We've taken the step, at the political level, of saying we don't need to have three different ministers or even two different ministers responsible for this. It's sufficient if those concerns are addressed in that way, keeping in mind that there are health issues here and there are community services issues, both of which have to be entwined, that it's appropriate for one ministry to be having the overall responsibility and for one minister to have that responsibility, and that's what we've done.

Our Premier has chosen to give that responsibility to the Ministry of Health and to the Minister of Health. The people who used to work in the two ministries are in fact now working as a branch under the one ministry. They bring all of the same history and perspectives and useful background that they need. So I can say, as the Minister of Community and Social Services, that the concerns that people have expressed to us throughout the whole discussion around long-term care we have not only heard but I'm quite confident in saying we're translating into changed and better practices through the long-term care division of the Ministry of Health. It makes more sense that it be done and run as a division rather than two divisions or a division reporting to two different places.

Mrs O'Neill: Mr Minister, I hope you are listening to the people and hopefully you are answering their concerns. They are very concerned about the assimilation of social services. The district health councils right across this province have brought that to us. Certainly, the front-line workers have brought that to us. They see a very medical model being developed. They see the MSA being a medical model, so to speak, and the people who will be represented there will be much more from a medical background, and that's not the way the services have developed in many communities. In particular, the front-line workers feel that the Community and Social Services aspect of their work that's been funded from that source is every bit as much of importance as the health model. In some cases, for many people, particularly, may I call them, the young elderly, it's more important.

There are monster fears out there. I'm sure that the people in Kingston are bringing them forward to the committee I usually serve on right at this moment. So I hope that you will see, because if you say some of the people who used to work with you are involved in this, that they continue to have a profile, that they continue to

bring those needs forward. There's a whole lot of new terminology coming. We don't know what it means, we don't know what the definitions are, and I'm talking for the general public when I'm speaking at the moment. So hopefully, these things will be clarified, people's minds will be at ease, because there's an awful lot of uncertainty and confusion out there regarding long-term care and your role in it.

Hon Mr Silipo: We're aware of those concerns, which is why I know that my colleague Minister Grier is paying a fair amount of attention, as I am still, even though I don't have that responsibility in terms of particularly some of the work that's going on through the planning process and the long-term care committees. I know that the fear and the concerns are there about a medical model being the approach that's taken, but we've been quite clear, not only in our guidelines but in the work that's being done locally in the planning process, to ensure that in effect it doesn't turn out to be a medical model.

I think we could talk for some time about whether that's even the most appropriate way just within the health-related issues, and we'd probably have some meeting of the minds even on that aspect, but certainly we believe very strongly that the community services aspect has to be kept very much in mind. I know that in the planning that's going on, that's something that people are being constantly not just reminded about but being pushed to ensure that it's there at the forefront as well.

1520

Mrs O'Neill: Thank you, Mr Minister, for helping me with those issues that I brought forward. I trust that the questions that have been promised to be answered in writing will be followed up for our caucus.

Hon Mr Silipo: We will ensure that that's done. Thank you.

The Vice-Chair: Thank you, Mrs O'Neill, for your participation in this round. Mr Jackson.

Mr Jackson: Are any of the questions that I've raised to date in a print form that is ready to be circulated at all to the members of the committee?

Hon Mr Silipo: Mr Jackson, no, other than the ones we provided to you this morning. I believe that the rest we're going to have to do some more work on, although there were some numbers—let me just check. Do we have any information on the—

Mr Jackson: The provincial comparisons I have.

Hon Mr Silipo: You have that, okay. So other than what you have, no.

Mr Jackson: All right. I apologize to Mrs O'Neill. She was on a very good point on page 77 with day care, and rather than an interjection, I was seeking a supplementary. But if we could return to that, my understanding is that the ministry had made a policy shift with a memorandum. I guess I could leave the committee at the moment and go get that copy.

But I understand we changed the calculations for subsidy eligibility in this province, and that we ran into a lot of difficulty. I know I had at least 20 cases I was advocating on that all of a sudden on one day were

eligible and then the next day were ineligible.

I wonder if this is sort of a fiscal venturi that you've got that you've been able to assist those municipalities who were having to turn down existing subsidy cases because of that recalculation memo. If that's all fuzzy, I'll go get the memo, but I had about a 25-page briefing from Halton region social services because they were concerned that it would disenfranchise several hundred children in the Halton region. I suspect that maybe some of that moneys were used to hold the line on the subsidies.

Ms Proctor: Just checking. I think it would be very useful to us—we'd be more than happy to respond to the issue—if we could see the memo. If you would get it for us afterwards, we would undertake to get back with a response in relation to that, but without having the details, I think it's hard to respond at this point to what—

Mr Jackson: The deputy has no memory peg with respect to changing the criterion that would have changed eligibilities for—

Hon Mr Silipo: No, I—

Ms Proctor: Only the change in the criteria for Jobs Ontario.

Hon Mr Silipo: Yes, the only change is that change in the criteria through the Jobs Ontario, which was an expansion rather than a restriction.

Mr Jackson: All right, then I'll secure the memo.

Hon Mr Silipo: What you're describing, Mr Jackson, I presume, is a restriction of the criteria.

Mr Jackson: Yes, we're talking about, these are people, employable, working poor; existing subsidy arrangements. We're not talking about the new plan. We're talking about existing cases where under the reapplications and reassessments, ineligibilities were occurring, and that's where the concern was, because now all of a sudden, having to come up with \$6,000 or \$7,000 for day care is not easy on a couple of days' notice.

Could the minister advise or the deputy advise who has been assigned to pursue either the private member's bill from Mr White in your caucus on the social worker act, or who has been assigned to do the work with respect to Mr Martin in your caucus's private member's bill on adoption reform?

Hon Mr Silipo: On the latter, there are people from the adoption units in the ministry who have been providing support as requested. If you want specific names, we'll provide them to you. On the first, there is no activity that we're taking at this time.

Mr Jackson: Okay. Could Mr Cope please advise me where the entries are for children's mental health services operation, if I could seek a further breakdown? I wanted to raise a couple of questions about children's mental health services.

Ms Proctor: Excuse me, if I can refer to that, the child treatment services are on page 81 of the estimates. Child and family intervention is on page 75 or 76, somewhere in there.

Mr Jackson: On which other page?

Ms Proctor: Page 75 is child and family intervention,

and the other page, wherever I was, child treatment is on page 81.

Mr Jackson: Okay. My understanding is that the atypical situation—well, let me back up. We've been attempting to determine why children's mental health services as provided in a hospital setting is on a decline in this province, and a substantive decline. These programs are being phased out, and this has created, in professional opinions in the field, further pressures to the services that fall under your mandate, Minister. We have a coterminous increasing suicide rate, and we have all-too-tragic information coming out of northern Ontario with certain native bands with solvent abuse and so on, a whole series of problems associated that aren't being specifically intervened with medical models but in fact with social service models.

I notice that we spent less in 1993-1994 than you were budgeted for and came in under budget there, which would be my first area of concern, and what that would mean for spending for this year, given the figure we're looking at there, as well on page 81, and as well showing a reduction in commitment on page 75. Is there a reason why we're seeing this with the increased numbers of children in this group?

Ms Proctor: I think I could speak to this, and maybe, Sue, I don't know whether you'd want to speak to this a bit as well. In any case, I think there's two issues. In terms of the slight decrease on page 75 and the increase on page 81, and you'll notice in fact from estimates to actuals we also had a bit of overexpenditure in that area, those small changes in the total numbers reflect a number of internal changes but in fact in the most basic way reflect the impact in this particular area of our expenditure control plan constraints.

Beyond that, though, I think more substantively the question you asked about moving out of hospital services and into community services has been a trend for some period of time. As you're very well aware, the Ministry of Health has continued responsibility for funding some hospital mental health services for children but the bulk of the responsibility for the community services lies in this ministry. In at least some of the instances around the province, there's fairly active local planning going on that involves the health professionals, the social services providers and so forth, looking for the way they can use those mental health, as it were, dollars as best they possibly can to meet those local needs. The general direction and trend in that is to move from the provision of services in one specific location, a residential location, and try to move those services and dollars into a range of community resources and so forth. I'm not sure of the specific instance, but the general case is to try to do that.

Mr Jackson: Well, I can give you a specific case in Halton region. We have nine beds in Halton. They're all associated with Community Living, and they're now told they have to share them with mental health etc and all the other areas. My teen suicide victims—

Ms Proctor: Is this hospital beds?

Mr Jackson: No, these are non-institutional beds. We lost the hospital beds ages ago. For a hospital bed, I've got to go out of my region for a teen suicide. For facility

treatment, we have to go as far away as Oshawa. We had a case that should have gone to a coroner's inquest of a girl getting out of a facility in Oshawa and killing herself before she could get back to Burlington.

But the mental health beds are now, instead of us acquiring and securing additional beds—I'm sorry, first-time-ever beds in—and we're a large regional municipality, and again with the developmental beds that we have, the nine of those that are in our community, we're now being told we have to share them with mental health services.

So we can sit down and rationally discuss how to come up with innovative solutions, but we don't have any beds. We're just actually having to say to other needy kids, for other reasons, you have to be on a longer waiting list now.

1530
That's why it's of concern to me, since you asked if I had a local example. We have one right in Halton and it's a rather severe one, and we don't have the opportunity of any chronic care beds, because the young people are inappropriately placed, but adults can be placed in a long-term care facility. I see this as a serious gap in the service and we're not really meeting their needs, and I just wanted to see where those moneys may be earmarked. I mean, this is a business of setting priorities, and we'll basically leave it at that.

Perhaps if I could then inquire further to Mr Cope, if he's the appropriate person, based on the statistics that we did get on the employee benefits expenditures and that Ms O'Neill was pursuing, I take it we still don't have the number of contract positions and consultant positions that I was seeking to sort of tie down this 800 employees less.

Ms Proctor: That's part of what we were following up on and will provide later.

Mr Jackson: Okay. If I could perhaps look at this schedule that you did table with us, I see that in 1992-93 we spent \$270,000 on attendance gratuities and that in 1993-94 attendance gratuities went to \$1.163 million as an employee benefit. Could someone tell me what an attendance gratuity is that we're spending almost \$1.2 million on?

Mr Cope: Yes, I think I can explain that. An attendance gratuity is actually a benefit that was available to employees who—before I joined the civil service, back in the 1950s and 1960s, it was what was replaced by the current short-term and long-term sickness plans. In fact what you did was build up sick day credits, and if you didn't use them for sickness, they went into a bank and you could be reimbursed when you retired for a maximum of up to six months.

So what is happening is we're paying out a lot of those, because with the enhanced retirement programs under factor 80 we are in fact having a lot of those people who have those credits built up and they're being paid out. In fact, you see that early retirement incentive, the line just above that, has also gone up quite a bit because of the same kind of thing. We're providing incentives to people to retire, and these are the very people who have those kinds of credit banks.

Mr Jackson: Well, you spent less than \$1,000 on retirement incentives.

Mr Cope: But the program was a new one in 1993-94.

Mr Jackson: It's which?

Mr Cope: It was a new program introduced in 1993-94. That was the first year of payouts. There weren't any payouts under that program before, for the retirement incentives. For the attendance gratuities, yes, people who had those banks retired on a regular basis, but because of the new enhanced program to encourage people to retire early, you have more people who have those credits leaving, so we have to pay out more.

Mr Jackson: I'm familiar with the retirement gratuities in the school sector, where both the Chairman and I have worked with them over the years—I'm sorry, not the Chairman, the minister and I. I had never seen it appear as attendance gratuity then.

What is the unfunded liability in the tune of almost \$12 million?

Mr Cope: That's the unfunded liability in the pension fund.

Mr Jackson: In the pension fund.

Mr Cope: Yes, and that's our ministry's share. We're levied a certain amount every year that would help pay for that unfunded liability.

Mr Jackson: Okay. And what are the projections for the 1994-95 attendance gratuities payouts?

Mr Cope: Approximately the same.

Mr Jackson: So another \$1.2 million or \$1.3 million.

Mr Cope: Something on that order. It may not be as high. It depends a little bit on what the takeup is in the current year.

Mr Jackson: Does the civil service get to split that over two years, like the teachers' federation has? That's just for interest. Do they have the same option, or must they take it all in the same lump sum the same year? Does someone know?

Mr Cope: One sum, one payment, the year you take it.

Ms Proctor: The same year, when you retire.

Mr Jackson: The teachers appreciate that. Do they ever appreciate it.

Hon Mr Silipo: I think you and I both better stay away from that one, Mr Jackson.

Mr Jackson: I've been to the labour board twice on retirement gratuities. I have no problem dealing with it. Unfortunately—

Hon Mr Silipo: I was talking about the teachers.

Mr Jackson: Oh, the teachers. That's who I was before the Education Relations Commission with.

Anyway, we don't have the contract consultants. Maybe I can come back to that when I get some additional information.

Could we go to page 115, with respect to the violence-against-women initiatives. I have to say, Deputy, I'm surprised, and maybe it's rather unusual, that on such an

important initiative, none of our substantive staff here were able to clarify the operating costs associated with it and the year-over-year changes with respect to that, but this is a lot simpler. This is just capital.

I'm wondering why we're seeing such a reduction here, given the fact that I'm sure we still have requests out there for the expansion of shelters, because the demand has been increasing at an alarming rate still, with respect to waiting lists, not with respect to the incidence. The incidence levels are pretty well at the same level, or very little variance, it's just that there are large waiting lists and there's deferred assistance here in large numbers and in certain areas of the province. Is there a reason why? I understand this is Jobs Ontario Capital. This isn't your regular ministry capital.

Ms Proctor: Mr Cope will speak to the flow of capital dollars.

Mr Cope: What we find here is actually the largest chunk of our capital spending is tied up in carryovers on projects that had previously been approved. So there's not a lot of flexibility for new projects. So what you see as a reduction is simply that there's less carryover than for projects in the previous year. It's not a reflection of less intent to do anything in the program, it's simply that for the projects within the total capital budget, the amount that was needed for the projects in violence against women was less because we were further along on completing those projects.

Mr Jackson: I have a working knowledge of construction and budgeting. Your budget will always decline if you're not starting new projects at some point in your fiscal year. I understand the carryover concept, but I'm asking why—let me ask it another way. Why are we not initiating any new projects that would be funded in this capital year?

Mr Cope: I think the response to that is back to what I said earlier, that we have a total capital budget that has been allocated to us, and within that, that's almost all tied up in carryovers. There were comments yesterday focusing on why is the child care amount going up while the child care spending is using more of that, because those were slower starting up and there's more carryover in child care, so we've had to increase the child care portion of our current capital budget. Since there's less carryover, as I just explained, with the violence-against-women projects, that's why it goes down.

Mr Jackson: Maybe I could switch back to the child care question Ms O'Neill began with. I think in my questions earlier, and there's generally always an annual order paper question from my office, what are the current ministry statistics on available spaces in the province? Just so we understand the question, we're not talking the number of subsidized spaces, we're not talking about the number of spaces that have a child in them, we're talking the number of available spaces. So that any given facility would have registered its capacity and then they'd have their enrolment. The last figures I saw indicated there was a substantive amount of space available in various parts of this province. You do have those statistics. I just wonder if you'd share them with us.

Mr Bakker: We have about 124,000 licensed capac-

ity. That includes all spaces. That includes home child care as well.

Mr Jackson: And how many spaces are municipalities and the province subsidizing and how many are just the—actually, you need all three, don't you? Surely you can share with me the statistic in printed form, which is what I requested yesterday.

Ms Proctor: Sorry?

Mr Jackson: Surely you have this in printed form you can share with—

Hon Mr Silipo: Mr Jackson, there is some information on page 79 of the estimates book. I don't know if that gives you the—

Mr Jackson: Page 79 doesn't give me the unused capacity, and that really strikes at the heart of the building plan. I'm not against building day care centres, I'm just against building them when there's vacant spaces within a quarter of a mile.

1540

I don't wish to flog the Richmond Hill example, but we've got basically four centres in Richmond Hill, and that's not a big community, that are boarded up. They're closed down, they're not being used, and three of them were built with taxpayers' money. We just can't get kids for them. And if you pay the subsidy, you'll always find kids, we know that, but if we don't pay the subsidy, we still have an obligation to operate the facility, or at least someone in the ministry should be asking the question, "Should we not look at getting back control of that facility or transferring responsibility instead of building another one?" I like creating construction jobs, but unless we really need it in that area—so the vacant capacity is a very important issue.

Mr Bakker: We don't normally track vacancies right across the system, because, as you know, we don't manage the whole system.

Could I just pick up on maybe the earlier question from Ms O'Neill, because I think it's related to this, about spending on capital.

Just to back up what the minister said, he's quite right, we are adding new spaces, but of the amount that was spent on capital—if I understand the gist of your question, on the one hand you're saying that there are a number of vacancies but we're also adding new spaces. I gather that's what you're getting at.

Of the amount that we've spent on capital—now, these are just rough numbers, but if you'll just bear with me for a minute. It's true that we have added 16,000 spaces in about the last three years. But of the amount that we spent on capital on new construction, only around 6,000 of those are brand-new buildings, in a sense. A lot of the money we've been spending on capital is related to renovations and improving centres that have aged and so on.

If I just give you some rough numbers, under Jobs Ontario, for example, we have had to add 10,000 new spaces to facilitate that program. Of the 10,000 spaces that have been added, only 2,500 of those are really in brand-new buildings. The other 7,500 are either renovating existing centres to bring them up to their licence

capacity or renovating them to add just a few additional spaces to meet their needs.

Mr Jackson: I'm sorry to interrupt. You're reading from a sheet of paper that I asked yesterday that you just simply photocopy and give it to me. In fairness, that request is still outstanding, and it's the simplest way to do this. I know the statistic exists, because two years ago the minister was able to produce it for us and we looked at the issue of total capacity and how much is currently being used at a given moment. I would hope that we could secure that. That's all I was asking.

Hon Mr Silipo: We'll get that information for you, Mr Jackson. We may not have it centrally but we can do it later.

Mr Jackson: That's fair. Even if you just give me Metro Toronto, then both Ms O'Neill and I can look at the issue of how we're spending the capital dollars, because I fall on the other side of the line. I want the money to go into operation and not into capital, and I think we're doing enough construction jobs for able-bodied males in this province in these social programs. I'm more interested in trying to get those subsidized spaces out there and more available, and that's really why I'm trying to track that.

Mrs O'Neill: I also want eastern Ontario, not just Metro.

Mr Jackson: No problem. I didn't say I just want it, I said it would be a help if we could get it even in that form right off the bat.

Minister, I asked yesterday how many centres were in a shortfall situation and what fund were you utilizing in order to bring those experiencing difficulty, or are we allowing them to fold their doors? This is again a question I asked two years ago in estimates and was able to secure some statistical information on that.

Hon Mr Silipo: My overall sense is that the number of centres that have gone through those difficulties has decreased, in part because of some of the steps we've taken to work individually with them and in part because of the additional subsidies we've put into the system, but I don't think we have—in fact I know we don't have the breakdown now of which particular centres may still be in trouble. That was one of the things we undertook to provide—

Mr Jackson: There were 93 of them last time, and I'd be encouraged that there are less, but I also would like to know at what cost and where we're coming up with those operations.

Hon Mr Silipo: Unless we've got some additional information we can share with you now, we'll—

Mr Bakker: The latest report that you were provided with, Mr Jackson, was 1992-93, I believe. We're still putting together the 1993-94. We can have it available this week.

Mr Jackson: I know you are, because that order paper question was tabled seven months ago. If you don't have the stats—

Interjection.

Mr Jackson: Some are answered quickly and some

are more difficult to get, but if you're still tabulating that, I have requested it before.

Given that this information has not been forthcoming, I wonder if I could yield my rotation while I secure some additional information and then finalize my questions in that area. I sort of relied on some material coming forward from the ministry staff.

The Vice-Chair: I'm sorry.

Mr Jackson: I'll just yield my rotation until I can get this additional information. I thought it was forthcoming from staff.

The Vice-Chair: Government members.

Mr Hope: No, you said it was a 30-minute—that's exactly what the process is that we incorporate, or a 40-minute process, and that's what I've been following.

The Vice-Chair: He's volunteering to yield his time to the government.

Mr Jackson: It's my right to yield my time.

Mrs O'Neill: How many minutes has Mr Jackson got just so we know where we're at with this?

The Vice-Chair: Mr Jackson has about 14 minutes.

Mr Jackson: The other alternative is a 20-minute recess, but I think that's unfair to staff. It's your call, Mr Chairman.

The Vice-Chair: I'd turn now to the government caucus for questions.

Mr Wiseman: Reading in today's newspaper, it clearly indicates that the federal Liberal government is going to miss its budgetary projections by somewhere between \$5 billion and \$10 billion. If you read further into the article, clearly the Minister of Finance, Paul Martin, will be looking to Lloyd Axworthy to find a very large portion of that shortfall in cuts to spending.

I'm quite concerned about that from the perspective that we know a lot of this has been downloaded on to the provinces now. If they're going to find these \$5 billion to \$10 billion just to bring their budget into line, and this nowhere near comes close to what they have to find in order to balance their budget, what kind of discussions are you having with Lloyd Axworthy about reform? What indication can you give us in the direction they would like to head? I guess, basically, do they have a philosophical approach that you could share with us as to how they're going to be making these changes to the welfare system?

Mrs O'Neill: I think the Liberal caucus members in Ottawa would ask the same thing, but anyway.

Hon Mr Silipo: If you'd like to put that on the record, Mrs O'Neill, I'd be happy to yield to you.

It's a good question, Mr Wiseman. I think it's fair to say that from my observations and involvement in the process of the social security reform discussions, the issue of funding and what implications that has, has been, for obvious reasons, one of the key pieces—not the only one, but one of the key pieces—that's concerned us, because we know that as we start the process, under the recent federal budget, Mr Axworthy's marching orders are to be able to find, among other things, I think, \$1.5 billion to \$2 billion in savings.

I think the indications we've had are that most of that is to come from the unemployment insurance area although it's up to them, obviously, as to what decisions they end up making. Our big worry is and continues to be, on the one hand, that we not see a continuing shift of offloading of the federal government's responsibilities on to provinces, because that would mean another significant burden placed on the taxpayers in Ontario adding to the already \$1.7 billion a year that Ontario taxpayers are paying for as a result of the shortfall in funding of the Canada assistance plan which funds social assistance and child care and child welfare services.

1550

Our approach has been to continue to put the issue of fair share of funding for Ontario very much on the table, as we continue to say at the same time that we believe strongly that the reform of the whole social security system in the country is something that needs to be undertaken and we are quite prepared to continue our involvement in those discussions. If we are now seeing that the federal government is further short in the area of \$5 billion to \$10 billion, then I think that just adds to our worries in terms of what might happen and how those decisions might be made.

We are continuing to pursue our discussions on the broader issues of reform, where we've put forward proposals and ideas around enhancement of benefits that are provided to children. As you know, we wanted to embark upon an Ontario child benefit program, which we were not able to do because of the fiscal situation that we're in. We think it's a good idea to be done not just in Ontario but indeed across the country, and that's something that's there.

We think there has to be more emphasis placed on employment opportunities for people on welfare. We think that some of those same ideas are equally as applicable for people on unemployment insurance and we've put forward through JobLink ways in which that can happen and are proceeding to implement some of those changes.

There at least we've managed to get the level of cooperation and funding on the part of the federal government that we would like to see in the whole range of programs that we have. We are continuing our discussions with them, as I've indicated in these two days here, on the issue of funding for child care reform.

But overall, we continue to be very worried about what is going to happen on the whole issue of funding. The federal government has said to us that the only way it can address the longer term funding issue we have been putting on the table from the beginning of these discussions, and the \$1.7-billion shortfall to Ontario from Ottawa, is through the social security reform discussions. While we haven't agreed that's where the solution should be, that it should be delayed to that point, we have none the less cooperated and will continue to cooperate in the discussions and would hope that today's announcement by the federal Minister of Finance is not an indication that things are in fact going to be worse than what we already hear. We'll have to wait and see and we'll have to continue to be both wary of the situation and I think

insistent in our position that the taxpayers in Ontario be treated the same way as the taxpayers in any other province in the country.

Mr Wiseman: Would you say these discussions are close, that we are having a good, open and frank exchange of ideas, that some of the things we have been suggesting through our welfare reform that seems to be held up now because it has to go hand in hand with what the federal government is going to do—are we at the table just to be patted on the head and told, “Thanks for coming, we're going to do our own thing anyway,” or are we really at the table?

Hon Mr Silipo: I don't want to be unfair unduly to the federal government.

Mr Wiseman: Why? They're being unfair to us.

Hon Mr Silipo: No, in terms of the process, because I think they've had, again, their own problems in getting their act together. The trouble I have in answering fully your question is that I'm not really sure that at this point we have a clear idea from the federal government what it wants to do.

We have, as I said, put forward some very clear proposals and ideas. We've had some positive response on one piece of that in terms of the JobLink initiatives and the federal government indicating not only verbally but in terms of its financial contribution that it's something it supports. We've had, as I said, some interesting indications of support on the child care reform piece, we obviously will be even happier when we see the dollars, but we haven't seen, other than I guess through whatever might come in the discussion paper that is going to be forthcoming from the federal government, anything that resembles a position by the federal government.

In other words, we haven't seen the federal government come forward and say: “Either as a result of the preliminary discussions that we've had with the provinces or as a result of our own thinking, this is the way we believe the social security system of the country should be reformed. Now let's talk about whether those ideas are good or bad or indifferent.” What we've seen so far is really a fair amount of discussion around particular proposals and, as I said, we have continued to put forward our ideas.

We will continue to be supportive of those proposals that come forward or ideas that come forward from the federal government which we think are good for the people of the province, and indeed for people across the country, and we will be obviously critical and watchful in terms of making sure that our own financial situation isn't made even worse by any further steps the federal government takes. But until we see something that's fairly concrete from the federal government, I'm not sure we can go much beyond that, because it's not like there are additional pieces we can do that we haven't done.

We've put forward our vision of what a social security system could look like, at least in terms of the areas that relate to provincial jurisdiction on the social assistance system, on child care, and I think we need to let the federal government do its part of the job. When they come forward, whenever that will be, with something that

resembles a proposal, then I think we will be able to see how close we are.

Mr Wiseman: I'd like to change directions now and ask a couple of specific questions.

The Vice-Chair: Your colleague Mr Hope has a question.

Mr Hope: No, go ahead.

Mr Wiseman: On the "Interprovincial Comparison of Social Assistance Rates" sheet, this one that was handed out earlier—

Hon Mr Silipo: We didn't get one at this end of the table, but go ahead.

Mr Wiseman: I'd like to pursue the question of single disabled rates, because that does seem to be a little confusing. If you are single and disabled in Ontario, this says that a single disabled person should receive \$930 a month. Does that include the \$414 in rental cost?

Hon Mr Silipo: Yes.

Mr Wiseman: So they should receive a cheque for \$930 a month.

Hon Mr Silipo: That's right.

Mr Wiseman: If that disabled person is receiving Canada pension plan disability, they would then subtract the Canada pension plan disability from the \$930 and we would then be giving them the top-up so that their total monthly income would be \$930.

Hon Mr Silipo: That's right. We would deduct the Canada pension plan disability benefit from whatever their entitlement under social assistance would be. One of the things we've been doing more aggressively, Mr Wiseman, has been to ensure that we track through those kinds of situations, so that in fact we've gotten better at making sure the information flow between us and CPP is much better than it was.

Mr Wiseman: Yes, I understand that and I know that's been happening, and I think it needed to happen. My next question has to do with the rent subsidy. If this disabled person is living in a subsidized apartment and they were receiving Canada pension plan disability, would they still receive Canada pension plan disability, gains up to \$930, and the subsidy, or would there be some calculation of a reduction of the single disabled on the basis that they're receiving a rental subsidy?

Hon Mr Silipo: In terms of determining the shelter portion of their social assistance benefits, we would take into account the amount of money they are actually paying for. So if their rent was a certain amount and part of that was being subsidized through the Ministry of Housing, then they would have to pay the balance of that. That's the amount we would take into consideration in terms of what we would pay through social assistance.

Mr Wiseman: Well, now I'm confused.

Mr Noel Duignan (Halton North): Could I have a supplementary on that?

Mr Wiseman: Sure, go ahead. Maybe it'll help.

1600

Mr Duignan: On that particular issue, isn't the rate already set, that if you're in a non-profit or co-op situ-

ation there's actually a set amount that individual can pay and only pays and that's the way it works, a monthly charge?

Mr Wiseman: My understanding was that if their income was solely from family benefits or from welfare, they would receive—that was not calculated as income, but as soon as you're into Canada pension plan disability, it's 30% of that and then your subsidy would be, let's say, whatever it is, 30% of the Canada pension plan disability. Then the subsidy would be on top of that up to the total amount of rent that was necessary. My question is, do we start with this \$930 base figure or how—?

Hon Mr Silipo: No, the \$930 here—the first line of this chart says "assumed rental cost" so these numbers assume that the rental cost the individual has is \$414. If the rental cost is lower, then the person would be getting less than the \$930. Kevin Costante could probably answer the question.

Mr Costante: There is a series of set rates, as I think the other gentleman indicated earlier, that are charged to people who are on social assistance and CPP and I'm sorry, I don't have that rate schedule with me. We would pay that actual amount, which I believe is often less than the \$414 which is the maximum we pay for shelter for a single person, so they would get that. Whatever that amount is, let's say it's \$300, plus the difference between \$414 and \$930 as their basic allowance. Am I making any sense?

Mr Wiseman: I'm a little less confused than I was when we started.

Hon Mr Silipo: I think if you look at the \$414 figure, Mr Wiseman, as the maximum, that's the rental portion.

Mr Wiseman: Let's do it this way. If they have a rental cost, they get \$414 for rent.

Hon Mr Silipo: No.

Mr Wiseman: No?

Hon Mr Silipo: If they have a rental cost of \$414, they get \$414. If they have a rental cost of \$300, they get \$300, not \$414.

Mr Wiseman: We're going to have to go over some numbers later because—

Hon Mr Silipo: So the \$930 that's here would be paid out to an individual who has a rental cost of \$414.

Mr Tony Rizzo (Oakwood): That's the maximum?

Hon Mr Silipo: That's the maximum. If the individual has a rental cost of less than \$414, then they would get whatever that difference would be less than the \$930, depending upon their rental cost.

Mr Wiseman: Okay. According to the tables in the Welfare Incomes 1993, A Report by the National Council of Welfare, Summer 1994 Canada, the disabled person in the province of Ontario would receive approximately \$11,725 per year, and the poverty line is calculated at \$15,452 per year, which means they're receiving about 76% of what the poverty line is. Can you tell me first, do you agree with this poverty line evaluation, and how do you calculate the poverty line given that the cost of living across the province of Ontario varies so much?

Hon Mr Silipo: I think it's fair to say that as a

ministry and as a government, we don't have a kind of an official position on those poverty line figures that you've indicated in terms of are those the kind of official statistics that we accept or not. What I think it's fair to say is true, that we know the amounts we pay, whether for single individuals, able-bodied, disabled, or for any of the other categories, in all instances are below the amount that would be payable if we followed either that indicator, or indeed some of the other indicators that come through Statistics Canada. That is something to keep in mind when people talk about what we are paying for in Ontario relative to other provinces, that we are still below, in effect, what many people would say are the acceptable poverty line indicators.

That's not something we're particularly happy about, but it's just the reality of where we are in terms of trying to manage the dollars that we have. That's just part of what, as I say, we have to keep in mind as we look at these numbers. You can present them in any number of ways.

To look at the issue that you've asked about in terms of regional variances within the province, we did do some work over the course of this year on the question of whether we should tie some of the benefits, particularly the shelter portion of the benefits, to various indicators regionally from one part of the province to the other. I think it's fair to say that at first blush you can justify doing that, and one could argue that we should do that. But as we looked at it a little bit further we came to the conclusion that, first of all, we would be creating a number of other inequities potentially by doing that, that sometimes when you mix together the shelter portion of the costs, you could say that on that basis, yes, you could justify a higher shelter cost in an area like Metropolitan Toronto versus a small rural community.

But on the other hand, when you factor in such things as transportation costs and other kinds of factors, the differences end up not being perhaps as high as one might initially think.

The difficulties that are entailed in putting those changes into the system, particularly in the system that we have in place now, again with the kind of largely still manually driven processes and systems that we have, we just found that, for the differences it would make, it would just create more problems at this point in time than it would solve, and so we're not proceeding with that. But as we get into the computerized system that we've been discussing here over the last couple of days and as we make some other changes, it's probably something that would be both sensible to pursue in the future and also more easily plugged into the system, were a decision to be made that it would be a useful thing to do.

Mr Wiseman: Okay, changing directions again—

Mr Hope: Yes, I've got a question.

Mr Wiseman: Okay, this will be my last question then. I heard on the news the other night that a councillor in a town near where I come from is suggesting that they put into place a clawback, a lien against houses of people who find themselves on welfare. It seems to me that that would be making victims of victims again. If they sold their houses, then they would have to pay back, out of

the principal or out of the house, the amount of money that they received in welfare.

This, I think, would be counterproductive in that it would prevent people from moving, it would revictimize them again and it would probably force people who could move into houses or into shelter that they could afford in a position where they would have to go into rental accommodation because they would be losing the equity in their house. This would increase the amount of subsidies that would have to be paid for rent for people. In the long run, it would cost a huge amount of money in that, if a house were paid for, for example, people could live in it longer and it would be still cheaper to keep them in their houses than it would be to put them into subsidized rental apartments.

The goal of this councillor is to take it to the Association of Municipalities of Ontario and eventually to your desk. I don't know if you've thought about that or if you've heard about this plan or if this person has contacted your office at all, but it seems to me that if a person has owned a house, that probably meant that they were employed, paying off their mortgage and were a victim of maybe the high interest rates, the dollar or whatever reason that their job was no longer there. This would be revictimizing them and putting them into what I would consider to be a downward spiral towards even greater poverty than they're already in.

1610

I think you've already got a good idea of what I think of the idea. Have you heard about this, and have you done any work in this area to examine what the long-term effects would be of a policy that would be of that nature?

Hon Mr Silipo: I hadn't heard of the specific proposal, but it sounds similar to other proposals that we've not only heard about but, to be fair, we've looked at as well, as a ministry. As we've had to look over the last year at a number of ways of trying to contain our expenditures, the whole issue of asking people who owned their own homes and were receiving benefits to contribute back into the system in one way or another some portion of that was one we did look at.

We've looked at a number of different models of how that could be done and we came to the conclusion, both in terms of the practicalities of doing that but also because of some of the broader policy issues that you've addressed in your comments, that it would not be either practically feasible or, perhaps more importantly, useful as a direction to go into, because what we would be doing is in effect taking away something that people have managed to build up over a period of time and which could also help provide a base for that family to be able to not only raise a family but to have something that provides a nucleus for them to be breaking out of a dependency on welfare. For those reasons as well, our sense is that it's not a wise course of action to follow.

I think we can say with more certainty now that we've also looked at how one might go about applying that kind of reduction, because that's what it would be, to social assistance benefits. As I say, I don't expect that as a government we're going to be doing a lot more work in that area in terms of how to do it, because we don't think

that it's as sensible an idea as it might've otherwise initially seemed to be.

Mr Hope: Before I begin my questioning I was just curious how much time I have left.

The Vice-Chair: You have until 4:26.

Mr Hope: Until 4:26. What time does your clock read, because I want to make sure I got the right time here.

The Vice-Chair: It's 14 minutes after.

Mr Hope: It's 14 minutes after, good.

The Vice-Chair: You have 12 minutes.

Interjection: Do you want to know how many minutes that is?

Mr Hope: No, no. I'm just curious because Mr Jackson has yielded his time and in a very short time I'm going to be yielding mine, so he better be here to finish his questioning so we can finish this process.

What I'd like to do—and I'm glad this afternoon I got a chance to reveal the Tory policy and the direction they are going to totally desecrate this ministry. I guess when we deal with estimates, if the Tories ever happen to get in here, we don't have to deal with two pages, because there wouldn't be any other money because they've cut everything else out of the process.

I know Mrs O'Neill's laughing, but I don't have any policies to go after a Liberal government, so it makes it very difficult for me to ask questions about the impacts that the Liberal policy would have on this ministry because they don't have any policy.

I have to go back to the ministry and ask specific questions about some of the things that you're doing in dealing with the estimates. I'm going to focus my attention on the quality-of-life project in the ministry. My basic question is: Why is the ministry doing research on quality of life?

Hon Mr Silipo: We know that a fair amount of work has been done in the past on looking at how to measure the level of quality of care that we provide to people with developmental disabilities. But one of the things that we've learned over the years that we haven't been able to measure well is a distinction between the level of care that we provide and the quality of care and what that means for the quality of life for those individuals with developmental disabilities.

This particular initiative is aimed at, first of all, trying to describe quality-of-life issues, not from our perspective as able-bodied people without disabilities, but indeed trying to look at it very much from the perspective of those who have developmental disabilities and those who live with them and support them, and then to try to ensure that we set that as a standard and that we try to describe that in a useful way.

Everything that we do then, in the system, is geared around trying to meet that standard. We think it will be a very useful indicator and a guide to us in terms of decisions that we will want to continue to make around where to put our resources and how to ensure that our resources are being spent to ensure the highest level of quality of life for people. These are things that those of

us who don't have any particular disabilities—or, at least, visible ones, because I suppose one could argue we all do—take for granted, but is something that we know is going to be an important aspect of the work. As I mentioned earlier, it's a piece of the work that we're doing in developmental services and will become an important part of the new framework which will be the policy that will guide the ministry over the next number of years in this area.

Mr Hope: We all hear the topics about quality of life is always on everybody's mind, whether it be disabled or physically able bodies that are out there, but why did the ministry develop complete new instruments rather than using the existing method of calculation?

Hon Mr Silipo: Largely because the existing methods—and Brian Low, who is sitting at the table, could talk much more about this than I am able to—measured more, as I was saying, issues around level of care, not questions around quality of life, because I don't think there is general agreement yet around how you describe and then measure quality of life. That's the overall objective of this initiative. Brian, do you want to add to that?

Mr Low: I think there's very little to add to what you spoke of. What we have done is look at other jurisdictions, both in Canada, in North America and abroad, and we have found just that: Most of the instruments used measure quality of care. What we are looking at are all aspects of quality of life that would be important to all of us. So it's more than just one particular aspect of quality of life that we will be measuring.

Mr Hope: With those comments around quality of life, how does the quality-of-life project relate to yesterday—I don't know if you remember. Yesterday I was bringing up about the DS accountability framework process. How does the quality-of-life project relate to the accountability project in its comparator?

Mr Low: As we talked yesterday about accountability, rather than looking just at a program-by-program approach, both of these projects address the developmental services system. So while we will see accountability in how the programs are delivered, one of the measures that is very important is in fact the quality of life for those individuals who are being supported within the community. So with this instrument, it will be one of the measures that we will be able to use to determine if service providers are providing the level of support that improves the quality of life from the viewpoint of those individuals who are being supported.

Mr Hope: Mr Chair, being as Mr Jackson has resumed his position now, I yield the rest of my time and allow Mr Jackson to continue his questioning in 14 minutes.

The Vice-Chair: I'm sorry, Mr Hope, you'll—

Mr Hope: Yield my time and allow Mr Jackson 14 minutes.

The Vice-Chair: Thank you very much, Mr Hope; I appreciate it. Mr Jackson, you have 14 minutes to conclude.

Mr Jackson: Thank you, Mr Hope. Minister, I was

trying to secure a couple of documents which have been forthcoming from your ministry. I have a document which I receive quite frequently, the closures of non-profit child care centres. I have another series of them with respect to closures of for-profit or commercial centres. I am trying to determine why, with 48 hours' notice, it's impossible to get the same statistics that are being generated, even your last-known entry. These are statistics that you maintain in your office, I suspect.

Hon Mr Silipo: I can only assume, Mr Jackson, that it's because people have tried to get the most up-to-date figures for you. Presumably what you have goes back in time and I'm sure that what you have we could have easily reproduced.

1620

Mr Jackson: There was a time when these weren't being kept. What the understanding was, and a promise by your government was, that these would be regular reportings. I was getting them for about a year and then they stopped; then I had to revert to the order-paper-question approach. Have you stopped keeping these kinds of stats? Because, if you have, that's a whole other issue, but if you're keeping them, then quite frankly, you're keeping them from me as well.

Ms Roch: Could I just add that I guess we had misunderstood your request for information, Mr Jackson. We were focusing on two pieces of information for you. We were focusing on details that you requested around child care conversion and information on bailouts. We thought you were focusing specifically on the program, the \$1.8 million that's being allocated on a yearly basis for bailouts, and that's what we were preparing for you.

Mr Jackson: I should know better. I attempt to table specific questions. You only get exactly what you ask for, nothing more, and it would have been helpful. I did table a series of questions, unless you've not had an occasion to look at those, but I'll move off of that, if I may.

There was considerable discussion about the social assistance rates, and I was very pleased that you were able to give me some numbers that we could all look at and agree on. We know that social assistance rates have received about a 14% or 16% increase in the four years you've been a government, and that surely is leading the country. It has resulted in some substantive costs, obviously, and I wonder, given that we are three quarters of the way through the year, if you already have your quarter stats in terms of your payout on the \$6.8 billion. In other words, I don't expect you to have your third-quarter stats, but have you got your first- and second-quarter payout numbers to determine what variances you'd have in terms of your payouts on social assistance in this province?

Hon Mr Silipo: What do we have at this point?

Ms Proctor: We don't. I think we're still behind in terms of the provincial. Do you want to speak to that?

Mr Costante: We will get an audit payout, but that is not always indicative of what the actual trend is, because there is a time lag between municipalities spending the money and billing the ministry and then our checking of that and sending the money to them. So actual spending

to date we can likely get. I'm sorry I don't have it here, but it's not a fine indicator, if you will.

Mr Jackson: You still have this. We have not changed the payment and transfer payment methodology, the accounting approach in this province, for several years. Amounts have changed, demand has changed, but the timing by which we make the transfers and to whom we make the transfers have not changed. So you still have year-over-year comparators, and really what I'm asking you is: Are we going to be under or over? Any time I'm considering a ministry, I want to look at its largest single payout, because if there is a variance or even a substantive variance anticipated, clearly that's important information for the estimates committee to know, because if there is an overage you're going to have serious problems; if it's an underage, that's found money.

Can you give us a sense of where you are with your numbers? You have your hard number in your estimates, which is a guesstimate based on the future year's demand, adjusted according to anticipated government policy changes.

Hon Mr Silipo: Mr Jackson, if your question is referring to the kind of forecasting that we have at this point around what we're expecting the situation to be for the balance of this fiscal year, we are working through those numbers now with our colleagues in Finance. As I've indicated in my opening statements and elsewhere, we have seen clearly a reduction in the number of people on social assistance over the last four months. So we have a level of confidence in terms of saying that the amount of money that we expect to spend on social assistance benefits this year will be lower than what we had originally forecast into this year's estimates, but exactly how much that will be we can't tell you with the level of certainty at this point that we would like and perhaps you would like.

There is still some work going on about whether what we see in terms of the drop now reflects a return of the seasonality factor that has been there traditionally and whether we're going to see an increase in the winter months, as we saw prior to the last three years. So that's why. If that's what you're getting at, we will have that information—

Mr Jackson: Do you do it quarterly or monthly?

Hon Mr Silipo: Yes, we will have that information. We don't have it yet. It will probably take us—my guess is another month to a month and a half to be able to work those through.

Mr Jackson: But are you doing them monthly or quarterly? Because if it's quarterly, we're right in the middle of analysis. If you do it monthly, you can just give me last month's.

Ms Proctor: We work those figures through on a quarterly basis—

Mr Jackson: Okay, that's fine.

Ms Proctor: —but the cash flow in the first quarter is slow too, so you don't have quite the same picture.

Mr Jackson: Minister, in every category of social assistance we're leading the country, and as I said, that may be seen by some to be significant. Some view it as

a testimonial to the sensitivity of society by the total numbers of people that they can provide welfare to. Others, obviously, in other provinces, don't feel that way.

Much has been discussed about what our party's policies would be with respect to social assistance, but you are familiar that we have indicated that for all the FBA matters with respect to the disabled we feel that level is worthy of support and should be protected. Are you familiar with that, when you've read our Common Sense Revolution?

Hon Mr Silipo: It's reassuring to hear you say that again.

Mr Jackson: But you've seen it in print, which is—right, good.

Mr Hope: What else did you say?

Mr Jackson: Well, no, there is some changing in attitudes.

Mr Hope: Draconian measures will be used.

Mr Jackson: Well, the sole-support parents, predominantly mother-led families, as you are well aware of. We don't disagree then that you would—when my party and my leader says that's a sufficient level of support—

Mr Hope: I didn't say that.

Mr Jackson:—and since you're funding at that level, you consider that a defensible level of support.

Hon Mr Silipo: Yes, we do.

Mr Jackson: So we're in agreement with respect to single—

Mr Hope: No, not with his party. It's a totally different philosophy.

Mr Jackson: We're in agreement with—

Mr Hope: Your leader is health and education.

The Vice-Chair: Mr Hope, you're out of order.

Mr Hope: Well, it's important that the facts are being stated before the public and not simply the policy of the Conservative caucus.

The Vice-Chair: Mr Hope, you're out of order.

Mr Jackson: What part do you disagree with your minister on from his response so far, Mr Hope?

Mr Hope: I'm disagreeing with your comments.

Mr Jackson: You're disagreeing with your own minister.

The Vice-Chair: Mr Jackson, would you address your questions to the minister.

Mr Jackson: Thank you. At least he's earning his \$9,000 extra money today, \$5,000 each interjection.

Hon Mr Silipo: We're all trying to do our job as best we can, Mr Jackson.

Mr Jackson: And so's the Chair, if you'd talk to your assistant.

The area of concern I have is an area of concern that my leader, Mike Harris, has, and apparently so now does your Premier, who on September 3, I guess, to the Empire Club said, and I quote the Premier directly, "Welfare has for some become a permanent source of income and a permanent way of life."

The Premier goes on to say: "That is something that

needs to be changed. Welfare should not be a permanent destination." Do you agree with your Premier's statements in this regard?

Hon Mr Silipo: We've always, I think, been consistent in believing that welfare, except for those individuals who require ongoing support, and they tend to be people with disabilities or older people or people in sole-support family situations—what we all hope happens is that social assistance is seen as a program of last resort.

Mr Jackson: That's not what your Premier is saying. He says that for too long it's been a program as a destination, and he wishes to change that.

Hon Mr Silipo: I think I know what the Premier was talking about, and I think what he was talking about was the fact that we haven't put into the system for many years the kind of emphasis that we need to on retraining and otherwise linking people back to the workforce. That's what we need to do and that's what we are doing through Job Ontario Training and through JobLink.

Mr Jackson: Then the Premier goes on to say, and I'm quoting directly from his speech, "The objective of welfare administrators should be to reduce welfare roles." You concur with that position as well?

Hon Mr Silipo: Absolutely, and again the way in which we think we can most effectively reduce welfare roles is by doing exactly the kinds of things that we're doing through Jobs Ontario Training and through JobLink, which is providing people with opportunities so that they can get jobs and keep jobs. By doing that, we'll make the welfare roles drop.

1630

Mr Jackson: Do you feel then that when the government says, "Instead of increasing your benefits, we feel that because they're the richest benefits in Canada, any additional income would have to be tied to training, employment, upgrading of some form" for the category here where we're the highest paid in Canada, and North America I'm now told, for able-bodied, single, employable males, for example—do you not agree with what the Premier said to the Empire Club with respect to that?

Hon Mr Silipo: No. In fairness, Mr Jackson, I think you're misreading into the Premier's statements. The Premier would not have talked about tying the provision of benefits to people being on training programs. What the Premier believes, what I believe and what this government believes, is that if we provide people with those opportunities, they will take advantage of them, and that's exactly what we're doing.

On the whole issue of benefit increases, we haven't increased benefits this year because we think that when we compare what we are providing to the—

Mr Jackson: I didn't ask about increasing them this year. We know the programs you have in place. They're similar to the programs my leader Mike Harris has suggested. We go a little bit further because we say that not all levels should be enriched. In fact—

Hon Mr Silipo: I think you—

Mr Jackson: Sorry, Mr Minister—

The Vice-Chair: You have one minute to conclude.

Mr Jackson: Why I raise the issue is because within the package, we recognize that the savings we can make, particularly from those on social assistance, able-bodied males, particularly the young ones—that instead of having those high levels, the moneys could be better spent, and we have indicated that half a billion dollars should be put into children's services in this province.

Now, Minister, earlier in these hearings you indicated that you didn't have enough money and you wish you'd had those kinds of additional revenues. I'm simply asking you, Minister, that if Mike Harris was your Premier and you were the social assistance minister of this province, would you see a valuable reassessment—

Interjections.

Mr Jackson: Would you consider it helpful and appropriate to have redirected those kinds of funds to children's services in your ministry, half a billion dollars worth, after many of the concerns being expressed in the last two days about the availability of those funds to meet the needs of those children before they are employable and before they run into the kinds of difficulties they are—

Hon Mr Silipo: I think it's a simplistic solution, Mr Jackson, because I think it ignores the fact that, first of all, when you look—and you've done a lot during these last two days, and prior, to tell us about how we should be moving closer to some of the things that are happening in Quebec and leaving aside all the things we are doing that actually are reasonably similar.

The rates that are paid out in Quebec are not that different for single employables from what we pay, which indicates that in those two provinces there's a good reason why benefit levels, even for single employables, need to be higher than elsewhere—

Mr Jackson: The biggest boost came because of the provincial election. You know that.

Hon Mr Silipo: —because of the cost of living. We were talking earlier, I think in your absence, about that, and it's interesting, when you look at the single employable rate, to note that in fact it is the lowest in terms of meeting what Statistics Canada indicates is an acceptable level of income. So that's something that's there.

Now all of that having been said, I would reiterate what I've been saying all along and what I will continue to say, which is that whether it's for single, employable individuals, whether it's for anybody who fits into any of the other categories, what we have to do, as a govern-

ment and as a ministry, is to continue to do exactly the kinds of things we have been trying to do and have been doing, which is to put more emphasis on training and other supports that will help people on welfare reconnect back to the workforce. Because that's what people want, that's what people need and that's what our job is to do: to provide those opportunities.

If we do that, we will provide not only the opportunities for those individuals and their families, but we will get the numbers of people on welfare down, which is something that will help all of us as taxpayers.

The Vice-Chair: Thank you, Minister, for that response. We are now very close to completing nine hours of detailed questions of the Minister of Community and Social Services and his staff. I want to thank the minister for his participation in this committee, as well as committee staff and ministry staff for making themselves available to answer these questions.

We now move to votes on Community and Social Services estimates.

Mr Jackson: Mr Chairman, it's customary to ask if there are any final questions to be tabled, and I wanted to table these two additional—

The Vice-Chair: If you wish to table additional written questions, Mr Jackson, we will receive them at this time.

Hon Mr Silipo: Could I just say, Mr Chair, before you move to the votes, first of all, that we will make sure we proceed to provide answers to those questions that have been tabled as soon as we can and, secondly, that I've appreciated very much the opportunity to be here and discuss these important issues with members of the Legislature.

The Vice-Chair: Thank you, Minister. We now proceed to the votes.

Shall vote 701 carry? Carried.

Shall vote 702 carry? Carried.

Shall the 1994-95 estimates of the Ministry of Community and Social Services carry? Carried.

Shall I report the 1994-95 estimates of the Ministry of Community and Social Services to the House? Agreed.

This concludes today's meeting of the estimates committee. We meet again tomorrow, room 228, for the Ministry of Northern Development and Mines, starting at 10 o'clock. This meeting stands adjourned.

The committee adjourned at 1636.

CONTENTS

Wednesday 14 September 1994

Ministry of Community and Social Services	E-613
Hon Tony Silipo, minister	
Rosemary Proctor, deputy minister	
David Cope, manager, estimates and allocations	
Brian Low, director, developmental services branch	
Kevin Costante, assistant deputy minister, social assistance and employment opportunities	
Lucille Roch, assistant deputy minister, children, family and community services	
Sue Herbert, assistant deputy minister, program management	
Ron Bakker, director, child care branch	

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

***Vice-Chair / Vice-Président:** Arnott, Ted (Wellington PC)

Abel, Donald (Wentworth North/-Nord ND)

Carr, Gary (Oakville South/-Sud PC)

***Duignan, Noel** (Halton North/-Nord ND)

***Elston, Murray J.** (Bruce L)

Fletcher, Derek (Guelph ND)

Hayes, Pat (Essex-Kent ND)

***Lessard, Wayne** (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

***Ramsay, David** (Timiskaming L)

***Wiseman, Jim** (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Hope, Randy R. (Chatham-Kent ND) for Mr Abel

MacKinnon, Ellen (Lambton ND) for Mr Fletcher

O'Neill, Yvonne (Ottawa-Rideau L) for Mr Mahoney

Rizzo, Tony (Oakwood ND) for Mr Hayes

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



E-34

E-34

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Third Session, 35th Parliament

**Assemblée législative
de l'Ontario**

Troisième session, 35^e législature

**Official Report
of Debates
(Hansard)**

Thursday 15 September 1994

**Journal
des débats
(Hansard)**

Jeudi 15 septembre 1994

**Standing committee on
estimates**

**Ministry of Northern
Development and Mines**

**Comité permanent des
budgets des dépenses**

**Ministre du Développement
du Nord et des Mines**



Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Thursday 15 September 1994

Jeudi 15 septembre 1994

*The committee met at 1010 in room 228.*MINISTRY OF NORTHERN
DEVELOPMENT AND MINES

The Chair (Mr Cameron Jackson): We have assembled this morning to commence seven and one-half hours of estimates for the Ministry of Northern Development and Mines. We are here to welcome the minister officially back from her honeymoon.

Hon Shelley Martel (Minister of Northern Development and Mines): Thank you.

The Chair: We're delighted to have you with us, Minister, the Honourable Shelley Martel. In accordance with the standing rules, you have the first allocation of time to present your opening statements with respect to your estimates. Then I will recognize the official opposition and the third party, and then there will be sufficient time for you to complete your responses. That should complete our agenda to 12 o'clock today. Please proceed.

Hon Ms Martel: Thank you very much, Mr Chair, and welcome to the committee members. I am joined today by my deputy, Don Obonsawin, and a number of staff who are here to deal with both administrative and policy issues throughout the different divisions of the Ministry of Northern Development and Mines.

I want to say that I'm very pleased to be here this morning to have the opportunity to address the 1994-95 estimates of the ministry. It has been nearly four years since I became minister of the Northern Development side, and in July 1991, had the additional responsibility of the Mines side of the portfolio. It was good to have the ministry joined again for staff purposes and for policy purposes.

The years since 1990 have seen some really dramatic changes in northern Ontario and in the mines sector of the economy. I think the ministry has acted very positively and decisively during those years to try and foster growth, to try and enhance the infrastructure in our communities and to try and support the people and the businesses in northern Ontario.

So this morning what I'd like to do is to review some of those accomplishments and I'd like to point out to you some of the challenges that we continue to face at the ministry.

Specifically, I want to talk to you a bit about some of the direct support we've provided to communities that have been restructuring, like Sturgeon Falls, like Sault Ste Marie, among others. I also wanted to talk about some of the programs we've introduced or we've improved upon that were in place before we got here which we think are

contributing to diversifying the economy in our special part of the province.

I think that even though the province itself has faced some very difficult economic times and the government has made some very difficult decisions, we continue to provide vital services to the people in the part of the province that we specifically represent.

As a consequence of the downsizing, the ministry has restructured its own organization and a number of its programs, but we do believe as a ministry that we are better off than ever before to capitalize on some of that in order to improve the quality of life in the north. I will talk about some of the initiatives with respect to small business, to capital and to mining exploration that we are using and we are implementing in order to continue to help our constituents.

Before I look at those specific issues, I want to talk to you a little bit about the mandate of the ministry so that you understand our divisions and what their roles and responsibilities are. The Ministry of Northern Development and Mines is unique because it's the only ministry that has very specific roles and responsibilities for a geographic part of the province.

On the Mines side, as you can understand, our responsibility extends to all of the province and all of the mineral exploration industry in the province. The ministry is made up of two program divisions: the northern development division and the mines and minerals division. The third division, which is called corporate services, provides both the administrative support and the policy coordination that allows the other two branches to carry out their functions.

The northern development division of the ministry is responsible for promoting local and regional economic development to try and improve access to social services and to health care for northerners and to try and coordinate what is a very integrated system of transportation services that comes under the rubric of the Ontario Northland Transportation Commission.

Our economic development programs include the following: MEDA, the municipal economic development assistance program, which is a program for municipal economic development; UCCAP, the unincorporated communities capital assistance program, which is a program for unincorporated communities in northern Ontario. We have a program entitled SCIP, which is the small communities improvement program for communities under 2,000. As well, we have programs for waterfront development, water and sewer assistance, and we

also provide native economic assistance.

The Ministry of Northern Development and Mines also administers the Jobs Ontario Community Action program in northern Ontario on behalf of the government. To date, in the last two fiscal years, we have been allocated over 28% of all the funds through that program.

The economic development programs and the initiatives that we have are aimed at trying to diversify northern Ontario's economic base, particularly in single-industry towns. Our programs, we believe, also help small and medium-sized business, and we believe that, because of them, we are maintaining northern Ontario's competitive edge. The underlying theme of all the programs we have is really to try and increase employment opportunities for people in northern Ontario.

We have some other smaller programs which are important on the health and social services side. SNAP, the supplementary northern assistance program, deals with non-profit groups, cultural groups in particular. We provide a large amount of funding for wife and sexual assault prevention. We provide social programming in native communities. All of these again are aimed at trying to improve the quality of life of the residents in our part of the province.

An important part of the northern development division is the Northern Ontario Heritage Fund Corp. The major role of that corporation is to promote and to stimulate economic development by supporting small and medium-sized businesses in northern Ontario. I'm really pleased that at a time when a number of cuts have occurred across government, we have been able to protect that funding allocation of \$30 million to the NOHFC.

Last but not least, on the northern development side the northern industry branch has five offices located in major centres in northern Ontario and they are staffed by business consultants. The business consultants provide advice and guidance on investment, on trade and technology matters. The branch also has some partnerships developed with local economic development offices to provide business startup information and counselling. There are six centres, called self-help centres, which are located across northern Ontario that we fund.

We also maintain 28 storefront offices across northern Ontario. The staff in these offices provide information on all government services to people in our part of the province. In many cases, because we are located in small communities, we are the only face of government, whether it be federal or provincial, in these communities. Next year the northern development offices are in fact going to be celebrating 25 years of service in northern Ontario and we are quite excited about that.

On the other side, the mines and minerals division has the responsibility to develop all of the policies, the standards, regulations and guidelines in order to provide services to the mining and exploration community in Ontario. The division administers a network of what we call resident geologist offices and mining recorder offices located throughout the province. The Ontario geological survey is quite fundamental to this division. It provides information on Ontario's geology and mineral resources and it attempts to encourage exploration and develop-

ment. It also is involved very much in land use planning in the province of Ontario and in the development of non-renewable resources.

Having outlined what I think is best described as the mandate of both divisions and the mandate of the ministry, I'd like to turn to some of the initiatives we have created or we have maintained since I last presented our estimates to you in November 1991.

Because I am Minister of Northern Development and Mines, I also automatically chair the Northern Ontario Heritage Fund Corp. It has been a real privilege to be allowed to do that. Our board of directors guides the allocation of the \$30 million that we receive annually from treasury. The board itself has an equal representation of men and women from across northern Ontario, and it has a very good balance between labour, business and the aboriginal community. I believe the board membership really does reflect the diversity of northern Ontario.

In spite of the expenditure control plan and some of the downsizing and the reductions that we have faced across all ministries, we have been successful in maintaining that \$30-million allocation. We also, in spite of the difficult times, have been in a position to expand some of the guidelines of the board to allow funding to sectors that we have not previously funded. In that respect, we are providing funding to a number of agricultural organizations and do recognize the importance of the agricultural sector in northern Ontario and our need to sustain it.

1020

We also have complemented some of the mining exploration programming and assistance programs that we have on the mines and minerals side to ensure that we can support the junior mining sector in the province of Ontario.

Some of the projects we've funded, just so I can give you an example of what they are and who they affect, are as follows: We provided about \$435,000 to Dickenson Mines Ltd, which is in the Balmertown area, and that was to help them identify and hopefully develop further resources at their Arthur White mine. That mine contributes about \$20 million to the economy, and we want to make sure that we can sustain it.

Secondly, we provided about \$50,000 to Heli-North Aviation in Sudbury. This is an existing helicopter company which is the only company in Canada that does engine repairs on helicopters, and this project is going to increase its employment to 16 over the next year.

Thirdly, we provided \$5 million to Bombardier of Thunder Bay to help support its modernization project. That project is helping to create in excess of 100 jobs, and we will be opening that facility on Monday.

So we have worked very hard to support northern entrepreneurs and northern businesses, and since April of this year we have helped create or retain over 400 jobs by supporting about 250 projects. In total, since the inception of the fund in 1989 under the previous government, we have helped create or retain approximately 10,500 jobs by committing \$200 million to about 1,500

projects. Our \$200 million has resulted in a \$700-million value of total investments.

The Ontario Northland Transportation Commission is the second agency over which we have jurisdiction. We have a memorandum of understanding with the board in terms of its operations. The ONTC undertakes commercial activities, including rail freight transportation, trucking, bus operations and telecommunications, and also undertakes non-commercial or subsidized activities that include rail passenger transportation, air services and marine services in both Owen Sound and the Moosonee area.

Since I last appeared before this committee, we now have a new chair, Matt Rukavina, who is here today. We also have a new president, John Wallace, and he became president last year. We have also made a number of changes in terms of the composition of the board to make it more reflective of northern Ontario society as well. The board itself is now undertaking a whole review of its role and mandate in northern Ontario to ensure that it remains a very vital and important part of our special part of the province. It also has looked at the restructuring of its own organization and has made changes, and will continue to do so.

Finally, the board right now is undertaking a major tourism initiative in the Moose Factory-Moosonee area. It is a consultative and community-based approach that we hope will help a number of the first nations in that area to develop their tourism potential. We are quite excited about that initiative and we hope to receive some information back from the board on how to proceed in the next number of months.

I said earlier that our ministry administers Jobs Ontario Community Action in northern Ontario, and we are pleased to do this because we are really committed to the program. We believe it allows northerners to determine their own local economic development strategies, determine their own priorities in their own communities.

The moneys we have allocated through the program vote fund leadership and organizational development, strategic planning and the operation of that, marketing and research studies, and we also provide funds for capital projects which the communities have identified to government as priorities as a consequence of all their strategic planning.

Along with changes that were made in the Legislature, our communities are also now entering into joint ventures with the private sector or they're establishing their own share corporations. We believe that this again will help them diversify their own economies.

Since the budget in May of last year when the program was introduced, we have had five rounds of JOCA funding. In northern Ontario to date, we've created approximately 1,300 short-term jobs and more than 600 long-term jobs in committing about \$27 million to 300 projects across the north. Again, I'd like to just give you some examples of what those projects have been.

In Iroquois Falls we committed about \$290,000 to the Iroquois Falls Association for Community Living to allow it to construct a bowling facility, including a lunch centre

and an arcade. This project will create 12 permanent jobs, and the majority of people who will hold those positions are developmentally handicapped.

Secondly, we have provided about \$290,000 to the township of Red Rock for work at the marina, which will allow it to put in more docks, power, water, boat launch and improvement to the breakwall. They are only this summer starting to see the benefits of a major summer tourism industry on that lake system.

Thirdly, we provided about \$50,000 in Atikokan to the conservation club, which allowed it to establish a walleye hatchery both for tourism development purposes and educational purposes. They are dealing with a number of school children who are interested in looking at the fish resource and how to protect it, and we've provided some funds to help them do that.

I certainly believe, as the minister responsible for administering the program, that in fact we are funding community development initiatives that are very important and which otherwise might not be funded because of all the funding constraints that have occurred across the government. Under the initiative, communities continue to receive assistance in planning, continue to receive assistance for capital construction, which gets people back to work and allows for the purchase of goods and services locally during the construction period and which also I think, at the end of the day, and most importantly, improves the quality of lives of people in our communities.

At the Ministry of Northern Development we are also pleased to administer the Canada-Ontario infrastructure program on behalf of both the federal and provincial governments. The aim of the program again is to try and get people back to work and improve the quality of life in our communities. I certainly believe that this program supplements all of the work our ministry has tried to do on the capital side through the anti-recession program, through Jobs Ontario Capital, through Jobs Ontario Community Action and finally through the base budgets of each of the ministries.

Under the agreement, about \$130 million will be allocated in northern Ontario, and when you add the local contributions of the municipalities to it, we will be in a position to spend about \$183 million over the next two years. The agreement and the model for federal, provincial and municipal participation is an important one and I think we could use it to apply to other issues in Ontario to deal with some of the situations we are facing. It has certainly created thousands of jobs in our part of the province and I think it ensures that in communities the infrastructure is in place to help them to attract investment in the future.

In northern Ontario, not only municipalities are participating. We have unincorporated communities and local roads boards which are also in a position to participate and they are doing that. We have received to date in northern Ontario about 400 applications and we have funded about 300 of those. Again, I'd like to give you some idea of the magnitude and the kinds of projects we are funding and the kinds of numbers of people who in fact are receiving employment.

—First, about \$6 million in Timmins for the construction of a four-lane roadway, and that is a broad range of work including excavation, sidewalks, street lighting, storm sewers etc. Under this project about 1,700 person-weeks of short-term employment are going to be created.

—Some \$700,000 to the city of North Bay to renovate the West Ferris arena, and again, that project creates about 525 person-weeks of work.

—In Sudbury, \$224,000 to the city for work at the St Charles Lake Passive Park. Again, we created about 153 person-weeks of employment through that particular project.

We have really enjoyed the opportunity of administering this program and we certainly have been pleased with the cooperation we received from the federal government and from the municipal governments, the unincorporated communities and the local roads boards. It has been a very good model to follow and it has made our job very easy to have that kind of cooperation in delivering a program that I think we are all interested in delivering.

I want to talk to you a bit about some of our activities in those communities that were in crisis when we came to power, and there were a number of them, across northern Ontario in particular. I think that given the work we did, we were instrumental as a government and as a ministry in helping those communities restructure to ensure that in the long term they would have both a future for the people who were working and living there and an economic base to sustain the people who were working and living there.

From November 1991, when I was here last, to date, we have been a key player in Sault Ste Marie, in Sturgeon Falls, in Atikokan and at Provincial Papers in Thunder Bay. In all of those cases we have worked with community leaders, with business leaders, with the educational sector to try and restructure the local economy.

In June, for example, of last year, I was pleased to participate in the opening in Sturgeon Falls of a new repulping project, and that was a joint venture between MacMillan Bloedel in Sturgeon Falls and the West Nipissing Economic Development Corp which was established solely for the purpose of allowing this project to proceed. That project saved about 300 jobs in the community.

1030

The community was assisted by \$9 million worth of provincial government funding, \$4 million of which flowed through the Northern Ontario Heritage Fund Corp. The most important contribution, however, came from the residents of west Nipissing themselves. They raised over a million dollars all on their own in an area that has fewer than 10,000 people in order to participate in the project and receive government funds, and today we have a facility that is quite environmentally sound, quite unique and an economic development commission that will use the proceeds from that mill to support other economic development initiatives that they are undertaking.

We were very much involved at Algoma Steel in Sault

Ste Marie, and many of you know the history there, and how a number of experts told us we shouldn't be involved as a government and we should let the whole plant go down. Because of our commitment, and frankly very much because of the commitment of the workers at the plant, we've got some 5,000 people who continue to be employed at Algoma Steel in Sault Ste Marie today, and we have a company that is making a profit against all odds.

We've also been very directly involved in a private company and in a job-saving restructuring at Algoma Central Railway. From 1987 to this year, the provincial governments, both the former and ours, have provided about \$35 million to this privately owned company in the form of operating subsidies, and because of the constraints that we are all operating under, it became very clear about a year and a half ago that we could not continue with that kind of funding.

So negotiations were facilitated by our ministry, and they began between an interested buyer named Wisconsin Central and the ACR to incorporate a Canadian subsidiary called Algoma Central Inc in order to acquire the assets and to continue to assume the operation of the railway, and we were really pleased that finally in July of this year, after many months of negotiation, an agreement was signed between ACR and Algoma Central Inc, and this agreement is supported by some financial assistance from the provincial government.

We have been involved in this issue because we believe we need to preserve rail service for both the lumber and mining companies that use the rail. We are now in a position to maintain over 200 jobs on that railway and to maintain several hundreds of other jobs in the tourism sector because the railway will also continue to operate the Agawa Canyon tour train.

There have been a number of agreements not only between the two companies but between the companies and the government, both individually and combined, and that has made for a long-term package which I think will ensure the survival of the railroad. We know that this railroad generates a tremendous amount of income for the city of Sault Ste Marie, and we know that it will continue to do so to the benefit of people who live there.

We also most recently were involved in facilitating a move of the Georgia Pacific Flakeboard plant to the city of Sault Ste Marie, and they are going to be producing a wood panel that's primarily used in the manufacture of furniture and cabinets. It's a value added product and it's not produced anywhere else in Ontario, so we're really excited about that potential.

This is a \$96-million investment, and it's a huge boost to the local economy. It will employ about 90 people and its market share will be right across North America and to some international markets as well. In that respect the province also received support from the federal government through the Canada-Ontario infrastructure program and \$5 million was allocated to provide the hard services at the site where the company will be located.

I think these examples and a number of others, including Kapuskasing and Elliot Lake, which were dealt with before November 1991, really do demonstrate that if the

provincial government sits down, it can work with local business leaders, local trade union leaders and other interested members in communities to try and restructure and to try and get people through difficult economic times to make sure they have a long-term future.

We, through the northern development division, provide a large amount of funding to native communities, both on the economic development side and on the social and health side, and I want to talk a little bit about that. We have a winter roads program which provides a transportation link for first nations to non-native communities during the winter months so that goods and services can be moved along winter roads instead of via airplanes, which is terribly expensive.

We have also been working with those first nations that are interested in undertaking joint ventures or mining exploration with interested companies in the province of Ontario. In this respect we have worked very hard with the Shibogama and Windigo tribal councils and provided funds to the same tribal councils to allow them to work with Placer Dome Inc to develop a resource development agreement which outlines the economic benefits, the training etc that the first nations communities will receive if the Musselwhite project goes into full production. We want to continue to do that because we think it's a good model for aboriginal and private sector cooperation in mineral development.

We also have established an aboriginal internship program, and we are trying to help aboriginal people gain some valuable career experience which they can then use in their own communities. We offer wage subsidies to private sector employers in northern Ontario who provide a year-long internship for native students, and we have 13 who are participating this year.

The jobs that they are participating in include areas such as business management, forestry operations and personnel, and we have a three-member aboriginal committee that advises us and recommends to us the projects which should be funded.

Finally, we administer the aboriginal communities capital improvement program on behalf of the Ontario native affairs secretariat. That is a \$48-million program which was created in 1992, and it provides servicing to homes in native communities. It allows us to build water mains and sewer mains and waste treatment systems for remote communities in northern Ontario, and we have made some major commitments and major investments under that fund: last year in two communities alone a total of \$2.5 million to two communities along the James Bay coast to try and get water services for the first time in those communities.

We also have a particular mandate to deal with health and social services in northern Ontario which is separate and apart from the programs that are delivered by the Ministry of Health. Since November 1991, we've committed about \$4 million to recruit health and social professionals to underserved areas of the north through our bursary program. We've also contributed about \$4 million to create both dental and health care centres in smaller communities across northern Ontario.

We worked with the Ministry of Health as well to

establish the northern Ontario diabetes network. That includes two regional offices—one in Sudbury; one in Thunder Bay—and outpatient programs in 40 other communities across northern Ontario, and in that respect, we provided about \$500,000 for startup, both in terms of purchasing medical equipment and other educational materials for the communities that were participating.

The Northern Ontario Heritage Fund Corp also has a program and has a mandate to deliver some health care services, particularly in the area of research and development. In that respect, in 1993 we provided about \$990,000 to the cancer treatment centre in Thunder Bay which helped it increase its dedicated research space to about 5,000 square feet. We provided funds to the cancer treatment centre in Sudbury to help the businesses there develop a new device which they are using in cancer treatment. Finally, we provided \$660,000 to support the purchase and the installation of an MRI machine in Sudbury that will be delivered by the local hospital complex in those communities.

We also last year provided some funding to Laurentian University, and this was to get the baccalaureate program in midwifery started. The funds that we provided helped the university recruit midwives and help them also establish a community-based clinic in Sudbury to carry on their practice.

We continue to provide a large amount of funding to sexual assault prevention initiatives, and last year allocated half a million dollars for those as well.

We've also had a particular mandate to deal with funds to try and get young people to work in northern Ontario. We have a wage subsidy program which we call NORTOP which allows northern employers to hire people and we pay for half of the cost of doing that. From 1991 to 1993 we have funded about 8,300 positions, and this year alone provided about 2,300 spaces to young people.

We believe those placements really do help young people gain some valuable work experience, and we hope will encourage them to stay in northern Ontario, to use their skills in northern Ontario. We believe that in the longer term more and more of the funding will be directed at internships which are year-long placements by employers in the hope that people will have permanent employment at the end of those internships.

We have another small capital program which we call SCIP. It's targeted directly to communities of 2,000 or under, native and non-native, and the purpose of that particular program is to provide for infrastructure in our smaller communities that have great difficulty in raising funds for needed projects.

1040

Some of the things that we have funded, if I might: \$35,000 in the last round of SCIP to the township of Tehkummah to renovate and build an addition to their firehall; \$35,000 to Evanturel township to build an addition to the municipal public works building; and finally, \$35,000 to the Thessalon First Nation to build a multipurpose works garage. Again, we focused on very small communities that have difficulty raising revenue in order to be sure that they, too, have access to public

funds for needed services in their communities.

Finally, we have been working extremely hard with the Ministry of Natural Resources on the hardwood project in northern Ontario. We have been dealing with them in the evaluation of a number of business proposals that have been put to the government to establish new mills or expand current mills using birch and poplar in northern Ontario. To date, some five hardwood projects have been announced and in total some \$400 million of private sector investment will go into communities as a consequence of these announcements. Together, the five announcements represent about 1,200 new jobs directly in the new mills, in woodlands and in transportation. There are a number of other spinoff jobs and we expect hundreds of those will be created as a consequence.

Today, in fact, an announcement is being made by a number of my colleagues up in Timmins at the Malette Inc mill and, again, Malette will spend about \$60 million to expand their current operation. They will provide 160 new jobs at the mill and in the woodlands and they're going to maintain the 330 people they have at their existing mill because of the continued wood supply.

We think that the investments by the private sector represent confidence in the Ontario economy and certainly in the northern Ontario economy, and we know that the mills that will be announced and that have been announced will create several thousand new forestry, transportation and construction jobs. We do intend, as a ministry, to continue to work with the MNR to look at the other business proposals. Over the next number of months we'll be making more announcements on more jobs and new mills in northern Ontario.

I'd like to turn now to the mines and minerals side of the ministry and talk to you about some of the activities that we have been undertaking there to support exploration and development and to try and help an industry that has been in decline in the province for the last number of years, particularly since the end of the flow-through share funding.

In 1992, all of the staff who were left at the Ontario geological survey in Toronto were relocated to Sudbury to our Willet Green Miller Centre, located on the campus of Laurentian University. That new centre houses all of the mines and minerals divisions now: the OGS, the Ontario Geoservices Centre, the mining and land management branch and the mineral sector analysis branch.

We were quite pleased to move onto the campus at Laurentian University because it allows us to cooperate better with this partner in the educational sector, and in that respect we have been working on a number of agreements with them. In March of this year, I announced that both our geological survey and Laurentian University, particularly their geology department, would establish a cooperative graduate mapping school program. The purpose of the program is to train geologists and to provide the faculty at Laurentian with an opportunity to do research at our facility, using our labs, which they normally could not do. The program is going to provide all of those students who participate with a master's of science degree in geology.

In June, I also signed an agreement with the president

of the university which provides the faculty and the graduate students at Laurentian with access to our geoscience laboratory at the centre. The centre will help the university community because they don't have the kind of access to the kinds of research and facilities that we have, and we will be sure that all of the building and all of the equipment in our building will be used. We think that it works two ways and we're very pleased with that kind of partnership.

Despite the economic times, we continue to deliver financial assistance to the prospector and developer community through both our Ontario mineral incentive program and our Ontario prospector and development program. In May of this year, we allocated \$3 million to 56 exploration projects under the OMIP program. Under the OPAP program, also in May of this year, we allocated funds: \$2 million to about 215 projects. Both of those programs are very successful and we continue to receive applications far beyond our capacity to fund. But nevertheless, having said that, we have protected the funding we have in place for this program and we do know that we are helping a large number of junior companies and prospectors and developers do important mineral exploration work in the province.

In July of this year, I participated in what was the first meeting of the sector advisory council dealing with the mineral sector in the province of Ontario. The council has a number of representatives from across the mineral industry in the province, and they will be meeting regularly to review proposals which will then go forward to the sector partnership fund for funding.

The council members, as well, will be involved in undertaking not only this work for us, but they will also be involved in determining what the provincial response is going to be to the Whitehorse mining initiative, which was unveiled earlier this week in Victoria by the mines ministers. We have put on the board not only the industry representatives but a number of stakeholders from the aboriginal, trade union and environment community to work with our ministry to determine how we can implement the recommendations, more than 150 that came out of Whitehorse, here in Ontario.

As a provincial jurisdiction and as a ministry, we've been involved in this initiative for the last two years. It was established in the Yukon in 1992 at the mines ministers' conference there, and to date myself and my staff have been involved in the leadership council and the four working groups that have dealt with some very serious and important issues that our mining clients have brought to our attention.

We feel very confident that we are going to be in a position to implement a number of the recommendations that have been made by that group. In fact, in going through the recommendations, to date we have implemented about a quarter of those that people had concerns with. We feel quite confident that in continuing to work with the advisory group we will be able to make some significant changes which will help our partners in the mines and minerals industry in the province of Ontario.

We also, for the last number of years, have made a major investment and have participated quite heavily in

developing the databases that we have at the ministry, and we're doing that because our clients have clearly told us that they want access to the most up-to-date and best available information with respect to geology in order to undertake the work that they do.

In December, the Premier was on hand at our mines and minerals symposium here in Toronto to unveil a prototype of the \$22-million system called ERLIS which we have been putting together to help our clients. ERLIS is an electronic library and it contains about 1.5 million pages of documents and about 120,000 maps of different sizes. It uses state-of-the-art technology, which is the first of its kind anywhere in this country, and it provides our clients with data, hard copy and digital copies of information that's very important to the work that they do.

We have offices that have ERLIS in place already in Toronto and in Sudbury, and we will be working with our clients in Timmins and in a number of other mining communities to implement a scaled-down version there too so that they will have the capacity to access this information, which is important to them, as soon as possible.

We have, however, been in a position to take some of the information stored on ERLIS and put it into most of the mining recorders' offices across the province at this point. In fact, we've done this in Timmins, Toronto, Sudbury, Kenora, Sault Ste Marie and, most recently, in Thunder Bay on September 1. We are now in a position to provide automated access to all of our clients of reports listing claims, owners, all the claims held in a mining division in a ministry, and all of that is accessible to them now in their own communities versus just in Toronto.

It's a major capital investment on our part, some \$22 million, and a major investment on the operating side to maintain the databases, but we have been working with our clients all the way through to develop the information and they are very pleased with it and want us to continue with that initiative, and so we will.

We've also been very much trying to ensure that our clients have a one-window approach when it comes to permitting and when it comes to them getting permission to do exploration work in the province. In that regard, about a year ago our ministry signed memorandums of understanding with the Ministry of Labour, the Ministry of Environment and Energy and the Ministry of Natural Resources which recognize us as the lead in coordinating all of the approvals processes for permitting. We have been through that in a much better position to coordinate the activities of a number of government ministries, coordinate the activities of the ministry proponents and the industry proponents, and provide advice and assistance to help get people through the process a little quicker.

We are also very much involved in promoting the mineral industry not only in this province but internationally, and we have spent money in order to appear at a number of exhibitions internationally to try to promote particularly Ontario dimensional stone. We have been in Verona, Italy, in Nuremberg in Germany, and most recently in Washington, to try to develop business

opportunities for the people who have stone quarries in the province.

1050

We also, in September 1992, launched a major ad campaign in the order of \$250,000 in southern Ontario. The purpose of that campaign was to make people in southern Ontario aware of the value of all of the products that are produced in the mineral industry. We produced three ads which were played for six weeks in southern Ontario to drive that message home. We found out after the six weeks, in doing some polling with Decima, that in fact the TV ads were effective in raising the consciousness of people who live in southern Ontario, in particular, of the importance of Ontario mines and minerals and of the importance of the products. We certainly hope this will then lead to support of the population in southern Ontario for this industry.

We are also working now on a project with the Prospectors and Developers Association of Canada, and this again is to try and promote the industry. In conjunction with them, we are developing school kits for science teachers in high schools across the province. The kits are aimed at developing science and technology and making people understand the importance of the industry. They will be distributed to teachers across southern Ontario in the next number of months.

We also are involved with our clients, through the northern Ontario development agreement and the federal government as well, in a number of programs that support research and development. Last year, more than 60 projects were undertaken to support research and development in the mining sector and in almost all cases the industry proponents themselves also provided funds for these projects. We have been able under the program to make a number of changes in a number of mine sites as a consequence to improve efficiency, to improve worker health and safety, to improve on the environment and deal with environmental concerns. We will continue this year, which is the last year of funding, to try and do the same and to work in partnership with the industry to identify those concerns at their own sites that are most important that we need to deal with.

I mentioned to you the Ontario geological survey and our work there is very important to the mineral exploration industry as well. This summer and last summer about 30 field projects were undertaken and all of the information that we received on mapping and staking etc was presented to our clients in December at our symposium. We will continue to have our staff undertake those kinds of projects, even though they're expensive, because we do know that the work we provide to them is very important in terms of their own exploration and development.

I know I've gone on at great length. My apologies for that, but I did want to go through some of the things that we have been involved in as a ministry since I was last here in 1991. We do think that on the capital side, on the side of providing funds to business and certainly on the side of helping our clients in the mineral industry, we have made a difference in northern Ontario and across the province on the mine side despite the difficult economic

times. We certainly look forward to continuing work on the projects that we have before us and continuing our partnerships with the people who are working with us to develop other projects and to ensure that other benefits that can be realized by our clients are. I thank you very much for your attention to this and I look forward to hearing both the speeches and comments that will be made by the parties.

The Chair: Thank you very much, Minister. At this point, with the indulgence of the committee, the Chair wishes to make a brief comment and that is that for whatever reason there seems to be extraordinary interest in today's proceedings. It is extremely important that this committee complete its assigned responsibilities because we cannot proceed to the next ministry until we've completed these estimates.

I wish to remind the members that the Chair will be cognizant of standing order 23 and standing order 120 and, although I apologize for bringing this to the attention of all members, since I know they are all quite familiar with these standing orders, I wish there to be absolutely no uncertainty on the part of the committee as to how the Chair will be adhering to the standing orders today.

Mr Frank Miclash (Kenora): First of all, I would like to welcome the minister, the deputy and the staff of the Ministry of Northern Development and Mines. Minister, I must say that I have looked forward to this opportunity and I have listened with great interest to both your economic description and the social description of the state of northern Ontario. I must say that estimates gives us an excellent opportunity to review some of the issues that are happening throughout northern Ontario.

Minister, you've highlighted some good things that are happening but unfortunately there are a number of other issues that I'm looking forward to taking a look at. I often think of northern Ontario and the difference between northern Ontario and southern Ontario when we take a look at our youth unemployment, when we take a look at the outmigration of youth and the actual high levels of unemployment across northern Ontario. I often think of mine layoffs and the low levels of mineral exploration. As you know, a very important issue near and dear to me is, of course, health care, and then actually looking at the most recent estimates, of course, the cutbacks to your ministry and the impact these cutbacks have had on the services offered in northern Ontario.

I must say it's truly unfortunate that all these issues I've mentioned hang under a cloud. Minister, you must know that today that cloud is over us and it's a dark cloud. You have violated the law and we have had recently a ruling from the Information and Privacy Commissioner which has said that you have violated the law. This comes, of course, under the Freedom of Information and Protection of Privacy Act. Again, you have gone on to release personal information about a private citizen.

Again, I find it hard to come here to discuss these very important issues when I've recently—well, not recently, but a good number of months ago—received a letter from you that leaves no doubt in my mind that it was written

to smear an individual and discredit this particular individual in his efforts to express his opposition to some of your policies which you have just gone over. Minister, you must agree with me that part of your responsibility is fundamental to the principle of our system of government and there's no question at all in my mind that you must take responsibility for what has happened. You have broken the law and I feel that you must at this time consider resigning as you have again violated not only the Premier's conflict of interest guidelines, you've broken the law and as well you have transgressed again the rights of a private citizen.

I must look back on what has happened in the past and take a look at other resignations for less grievous actions. These resignations have come from all three parties and I must say that if the circumstances I have just outlined have not led to your resignation, I really can't see what circumstances would do that.

Minister, one of the most important responsibilities you face—and you indicated it yourself in your opening remarks—is to be an advocate for people in the north, for northern Ontario, for northern businesses and for the mining industry. You must be our advocate, as northern members, not only at the cabinet table but throughout this province and throughout this country. Your most recent actions have indicated that instead of acting as an advocate on behalf of this person, who again was raising a policy issue, you chose to attack this particular individual, a private citizen, and you attempt to discredit his position and distract the attention from the issue that he was raising and attack him on an individual basis.

Minister, this has raised a great amount of serious doubt about the conduct of yourself as the minister and of course the operations of your office and the operations of the branches within your ministry. We have faced many issues and we will take a look at these, but this is a very serious event, being that this letter was circulated, being that it did smear a private citizen and that you, as minister, signed this particular letter.

With that, Minister, I will be moving on to your administration and to the operation of the correspondence unit within your ministry, and of course we know that's vote item number 2401/1. Minister, I would really insist on your presence during these estimates as some of these things that I'll be referring to are your personal actions and of course they will refer as well to the operation of your ministry.

1100

The Chair: Does that conclude your opening statements about the Ministry of Northern Development and Mines?

Mr Miclash: Yes, it does.

The Chair: Very good.

Mr Ted Arnott (Wellington): It has fallen to me to speak on behalf of the Conservative caucus at this point in time. I'm not the critic of the Minister of Northern Development and Mines. However, I am the critic for Tourism and my colleague Mr Turnbull is the critic for Transportation. We intend to ask you quite a number of detailed questions on the spending of the ministry, which

of course is the process of this committee that we're engaged in today, an important process too in terms of accountability of the government to the Legislature.

We have detailed questions on accessibility and availability of health care in the north and we have detailed questions on the economy and jobs generally in the north, as well, as I indicated earlier, as tourism, transportation, roads, rail and airports and what the government's policy is in that respect.

We have questions on waste management, the Kirkland Lake rail option that we feel should be given a full hearing by the ministry and the government. We have questions on forestry and we have questions on education, post-secondary education as well.

We have questions about the spending, the way you're spending money. We have questions about the duplication and overlap that we feel is inherent within the ministry's spending and the cost-effectiveness of all the spending that you do as minister.

But by sheer coincidence we are meeting today with you on the day after you as minister were informed by the privacy commissioner that you broke the privacy law. You have indicated, I guess last night, that you accept the fact that a mistake was made but you refuse to resign.

There are two big questions here, Minister, in my mind, and the first one is the question of public confidence and public trust. We have seen, through the Premier's administration of his conflict-of-interest guidelines, his guidelines for ministerial responsibility, a great deal of inconsistency in his application of those rules. The rules have become a joke, in effect, because of the inconsistency with which he administers those rules, in my opinion.

The second big question to me is your continued effectiveness and your ability to continue to serve the north as minister, given what's happened. This is not the first transgression of the Premier's conflict-of-interest guidelines that you have made, Minister. The first one I believe—just my recollection—was in 1991, where you wrote a letter to the College of Physicians and Surgeons, in effect interfering in the administration of a quasi-judicial body. You tendered your resignation that day. The Leader of the Opposition asked the Premier, I recall, to reconsider that he accepted your resignation and you remained in the cabinet. A short time later in a private conversation at a public event you apparently lied and then took a lie-detector test to prove that you had lied. This is what we are told. Recently, you broke the privacy law.

These are three transgressions, three times you've been outside the conflict-of-interest guidelines. It's up to the Premier to administer his guidelines, it's not up to you. I'm not sure if you've offered your resignation—we aren't aware of that—but clearly the Premier has to act in this case, in my opinion, number one, to restore public confidence and trust and, number two, to ensure that the people of the north have a strong, effective cabinet minister which, if you continue to discharge your duties, attempt to discharge your duties, in my opinion the north will not have.

In light of all this I have to ask you, how can you possibly continue to serve effectively as a minister of the crown?

The Chair: Any further comments from the third party? Fine, then the minister now has, according to the Chair's schedule, 15 minutes remaining with respect to responses.

Hon Ms Martel: Thank you very much, Mr Chair. Two things, if I might: First of all, I want to make a brief comment with respect to issues that have been raised by the two opposition parties and I want to deal as well with some of the issues that were raised by Mr Micalash, because he was a little more specific in terms of some of his concerns. I'll wait for the questions that will come from the members of the Tory Party.

What I intend to do at this time is the following: You have been provided with a recommendation by the Information and Privacy Commission which very clearly tells us to make sure that we direct all of the ministry staff and officials to understand and to review what their responsibilities are with respect to the freedom of information and privacy act, and to undertake whatever training etc may be required to make sure that personal information is disclosed in a manner which is consistent with that act.

Certainly, three weeks ago, when the draft report was released and it was clear that may well be the recommendation, I instructed the deputy at that time to begin to undertake that recommendation. He has, along with the freedom of information coordinator for our ministry, been dealing with that and with a number of other ministries on what kind of training we might need, who might need it and how we can best implement that within the ministry. I also intend to return to the privacy commissioner's office within a six-month period, as outlined by the commission, to tell him all of the steps that we have undertaken in that regard.

Two other things I intend: secondly, to deal with the estimates of the Ministry of Northern Development and Mines here today, to talk about the challenges that face us and some of the things we have done and, as best as possible, to respond to the issues and the concerns that are raised by the members of all three parties who are here today, in that regard.

Thirdly, there are a number of staff who are here with me today, and a number obviously who are not, both across the mining branch of the ministry and those located in northern Ontario who deal with northern development and mines. As a group, we intend to continue to deal with those projects and those initiatives and those efforts that we have undertaken to try and deal with the concerns that have been raised by our constituents in the mining community and by our constituents in northern Ontario, so that over the next number of months, hopefully, some of these initiatives can be brought to completion with some positive results. That is what I intend to do from here.

In direct response to some of the issues that were raised by Mr Micalash, let me outline the following: With respect to health care, I tried as best I could during the presentation to outline to you some of the initiatives that

we have undertaken. I understand that some of the issues you're directly concerned with really do fall under the mandate and the jurisdiction of the Ministry of Health, and although that is the case, certainly staff in our social services and policy branch within the ministry have tried to work with the regional health office to deal with those. I speak particularly with respect to the situation in Red Lake and with respect to providing the direct contracts to deal with underserved communities.

I do think, however, that we have tried very hard to maintain the programs that we have in place as a ministry to fund dental and health clinics, to fund the bursaries for health care professionals who are coming to northern Ontario to support research and development—in particular, through the northern Ontario heritage fund with respect to northern health care—and to deal with sexual assault prevention initiatives, which we think are very important.

Secondly, with respect to levels of exploration, certainly, in the time that I have been here, particularly during 1991-92, the levels of exploration in the province of Ontario were very low. They were the lowest they had been in 10 years. We think there are two reasons: first, very low base metal prices across the international scene which have made it very difficult for companies to continue to operate, much less continue to invest in research and development in the province and do exploration work; secondly, with the cessation of the flow-through share funding option at the federal level, certainly a lot of the incentives and the initiatives that were undertaken during that time were lost.

However, we are pleased that this year we have seen a fairly significant turnaround in mineral exploration and development and certainly in the sense of optimism across the industry, which our staff have all noticed.

1110

At this point, total exploration expenditures are up about 28% from last year's levels, and they are up about 28% from 1992. The number of claims in good standing is up by over 6,000, and that's an indication to us of the tremendous work that's going on by particularly the small prospectors. The assessment work is also up: \$15.2 million last year and \$17.9 million this year. So we really do feel that we have turned a corner in working with the industry to deliver the kinds of databases that we are, to deliver the kinds of assistance programs that we are to respond to their concerns that they are feeling much better about the possibility of investing in the province and in fact are moving to do that.

Thirdly, with respect to the impact of the expenditure control plan on the Ministry of Northern Development and Mines, certainly we are but one of 20 ministries in total that has had to deal with a very difficult economic time and has had to make a number of cuts, as per the direction of the centre, in order to try to get our fiscal house in order and to keep the deficit down. In that respect, last year the ministry was assigned a three-year, \$20.1-million operating reduction through the expenditure control plan. That was a difficult cut, and we tried to find a balance between stopping program delivery and letting staff go.

In that regard, we took a number of measures, which resulted in the required savings. We streamlined the organization and took \$7 million out that way. We took a cut of \$6 million on our direct program grants to a number of our clients. We also, because ONTC receives a large operating surplus from us, had it participate, and cuts had to be made there as well. We also dealt with our direct operating expenditures as a ministry in the ODOE side and took \$3 million from there.

We have met all of the targets to date, and we are on schedule with that. We also had to take a number of staff out, and we tried to balance that against dropping all of our programs. We were able to do that and accommodate all of our staff except for one person who chose to leave government employ and went on to work in the private sector. We have accomplished all of the balance of our reductions and will deal with the \$3.3 million that we have to in this year as a savings measure without any additional staff implications whatsoever and we hope without any program implications.

So we certainly, during the difficult times, have tried to find a balance, and I think we continue to be in a position of delivering the services that our clients demand and request of us with the correct amount of people who are in a position to do so.

The Chair: Thank you, Minister. At this point, it's routine for the Chair to seek guidance from the committee as to how you wish to proceed for the balance of our estimates. Do you wish to stack the votes or deal with them by line items? Secondly, how you wish to manage your time allocations?

Ms Sharon Murdock (Sudbury): I don't know how the opposition feels, but I would prefer to stack the votes and divide the time up in half-hour segments, one half-hour per caucus.

The Chair: We have 45 minutes before we are called to adjourn. May I suggest we divide it in 15-minute segments to get us to 12 noon?

Ms Murdock: Sounds fine.

The Chair: Okay. Are there any special requests from members for the attendance of any individuals? The Chair has not officially received any; the northern transportation commission, any of those individuals. We certainly need to have sufficient notice if there are any additional requests for attendees. Failing that, then we're prepared to proceed.

Mr Miclash: I would like to begin my questioning around the correspondence unit, and of course you know that's vote item number 2401-1. Minister, I would like to go to some correspondence that was sent to me on May 25, 1993. It was regarding the private member's bill of Mr Chiarelli. I want to know who initiated the request for that particular letter to me regarding this person's personal situation.

Hon Ms Martel: I believe that this issue was referred by the complainant to a third party. That third party spent a number of months investigating the complaint that was lodged against the Ministry of Northern Development and Mines. The third party, in the form of the information and privacy commission, made and presented to us

yesterday an official report of its findings with respect to this issue. I have made it very clear, in a statement yesterday—because I was not here; I was in Vancouver at the mines ministers' conference—and again this morning that it is our intention to follow up on the single recommendation that was made by the commission, and I do not intend to either go through, retry or deal with that specific case.

We have made it very clear to the commission and to the public, I think, that we will deal with the recommendation. I have instructed the deputy to do so as early as three weeks ago. He is working with our coordinator for freedom of information to deal with that, and we will make available to the commissioner the work that we have undertaken in the next six months in order to comply with his request.

Mr Miclash: I refer back to the fact that I am concentrating around vote item 2401-1, and I think we have to find out some particulars about this particular issue, again, a letter written to me regarding a private member's bill. Madam Minister, I go back to when the decision was made to write this particular letter and who else received this letter. Did other MPPs receive it? Was the list of people who received this particular letter restricted to other MPPs?

Hon Ms Martel: I think that I have made it clear, and if not I will reinforce, that I am here today to deal with the estimates of this ministry. However, I do not intend to deal with the specifics of a case which I believe, and we as a ministry believe, have been dealt with by a third party, and that third party has also made a recommendation, which we will comply with. So it is not our intention today to deal with the specifics of this case in any way, shape or form. I have outlined that I accept the recommendation. We will abide by it. We will undertake all of the work that is necessary to comply, and we will let the commissioner know of all of our work within a six-month period.

Mr Miclash: Madam Minister, again, I'm dealing with a vote item regarding your correspondence unit, and I must request some information that came from that particular unit. This is specific information that came through that unit. I feel it's very important that these questions are answered. We are here to take a look at these vote items. This is a particular vote item that I wish to concentrate on. Again, I must ask you as to when the decision was made to write this letter and who else received this particular letter, a letter through your correspondence unit, vote item number 2401-1.

Hon Ms Martel: We can certainly provide general information on how the correspondence unit operates. We will not, however, be answering specific questions with respect to this case.

Mr Miclash: Okay. Well, then, let's get into some general information, and maybe we can come back to this particular issue once we've received some of the general information from your ministry. My first question, then, would be, how much would your ministry spend on the correspondence process on an annual basis?

The Chair: Minister, do you wish to redirect?

Hon Ms Martel: The staff who are here with me are not sure of the exact allocation in terms of funding that goes into this particular branch. We would certainly be pleased to provide that information to the Chair when we return this afternoon.

Mr Miclash: The other thing I'm looking for is the number of letters that would be received and responded to on an annual basis by the correspondence unit.

The Chair: I think it's helpful if someone would indicate that they will undertake to obtain that. Nodding doesn't work well on Hansard.

Hon Ms Martel: The assistant deputy minister for corporate services, who would have responsibility for this area, is here today. If you want to list the questions for us, we can certainly get that. We don't have that specific information here with us today in terms of that detail.

The Chair: Mr Miclash, it'll be treated as a request for information. They will refer that immediately to the clerk, and that'll be circulated, where possible in written form.

Mr Miclash: I would suggest by this afternoon we'll have that information?

Interjection: Yes.

Mr Miclash: The next question is regarding a turnaround time for a letter. Do we have an average turnaround time for a letter which comes into this unit?

1120

Hon Ms Martel: We try to turn our letters around within 10 days. You need to bear in mind that if people are on holidays for any particular length of time and they have not seen it, it will wait until their return in order for them to have a good review of it.

Mr Miclash: Minister, when it comes to the actual drafting of these letters, are they drafted by the correspondence unit or are they drafted by the staff in an appropriate branch?

Hon Ms Martel: The staff in the correspondence unit are there for the purpose of ensuring that the mail goes to the divisions that would have responsibility for it. Their function is very much an administrative one to ensure both that the letters go where they're supposed to and come back within a time frame that's generated on our computer system. So it is their responsibility only to forward the information out to the branch they think is relevant in handling it, and then within the branch different members would then be responsible for dealing with the correspondence and responding to it and the issues before them.

Mr Miclash: Before a letter would leave your office, who in the minister's office would be responsible for approving that particular letter?

Hon Ms Martel: Not all of the letters come through, because they deal with different issues. I sign all of the funding applications that are sent out to communities, either under JOCA, SCIP, UCCAP etc. So in the final analysis, I sign all of the grants that go out to groups. What else comes through to me really depends on the nature of the correspondence.

Mr Miclash: Minister, one of the letters that I

received from you was a letter initiated by your office without a request from me. How often would that happen in terms of your ministry throughout the year?

Hon Ms Martel: Correspondence is generated in a number of ways: either incoming mail, which is dealt with; requests that we receive from other MPPs, and I receive a number of those for information; requests that we receive over the telephone for information from a variety of sources. To the best of our ability, we try to deal with all of those issues and requests for information that come in from various sources to us.

Mr Miclash: Minister, what I'm talking about here is a letter which was initiated without any request, without any incoming mail that it would be a response to. How often would that happen, that it would be initiated from your office without any request?

Hon Ms Martel: We receive a large number of inquiries, both verbal from MPPs in the House, which I receive on a regular basis, and also calls to the bureaucratic staff or calls to the political staff. The numbers that we take in and the numbers that we generate on an annual basis, I couldn't give to you.

Mr Miclash: Minister, I go back to the particular letter—and you know the letter that I'm referring to, the letter of May 25, 1993—and I go back to that person, and I would like to know who would have initiated the request for that proactive letter, a letter that was initiated from your office. Who would have initiated that letter coming to me on that particular date?

Hon Ms Martel: Mr Miclash, I think that in terms of the general response to the question, which I am trying to give, I have said clearly we, as a ministry, receive requests for information from a number of sources. We receive written requests that come in. We receive verbal requests over the telephone to both the ministry and the political staff. We also receive requests for information from a number of MPPs during the course of either the sitting or when we are in Toronto. To the best of our ability, we see it as our responsibility as a ministry to respond to those, and to the best of our ability we do.

Mr Miclash: I understand that, Minister, but what I'm asking is, how often do you send out letters without receiving requests for them? Proactive mail, I guess, is what I would call it. How often would letters such as that go out of your ministry?

Hon Ms Martel: I think I explained, Mr Miclash, that we receive requests from a number of sources, not only written but verbal, and when we receive those requests, to the best of our ability we respond. I can say that when the House is in session, for example, there is not a week that goes by when I am not approached by a northern colleague from either side of the House for information on a specific issue, which I attempt to then deal with. We do that on a regular and a routine basis, because I do believe that's part of the function that I should be serving and that's part of the function that the ministry should be responding to.

Mr Miclash: Indeed, Minister, I understand that, but do you ever send out a letter without having a request for that particular information?

Hon Ms Martel: Anything that we send out we have had a request for.

Mr Miclash: I guess, Minister, I must go back again to the letter that I'm referring to. I would have to ask you as to where the request for that particular information came from.

Hon Ms Martel: Mr Miclash, in general terms, we receive and I receive requests for information of all kinds from a number of sources. We receive that in a very formal way through written correspondence. We receive that as well by verbal requests either in communication with me in the House or on other committees that I sit on, and the ministry staff and the political staff also receive requests for information over the telephone. We do respond to each of those requests in the best way that we can to be sure that we're fulfilling our role, which I think is one of trying to deal with both our colleagues and with the general public in the best way that we can.

Mr Miclash: Minister, being that I did not request the letter that we are talking about, the letter that is in question here, how would that have been activated? Who would have written the original draft of that letter, and how would that have come about, being that I did not request that particular information of that letter about this private individual?

Hon Ms Martel: Mr Miclash, I think that when I began this line of questioning I said I was prepared very much to deal with general questions of a general nature in terms of how the ministry administers its programs and its responsibilities, and I do believe that I have responded to that in the best way that I can. However, I do not intend to deal with the specifics of a case which I believe have been dealt with by a third party, whose recommendation this ministry will comply to.

The Chair: Last question, Mr Miclash.

Mr Miclash: Minister, you have talked about how you respond to requests from members in the House, other northern members; you've talked about incoming mail. I'm talking about your correspondence unit sending out a letter that had no reason for a response. That's the general question I'm asking. I'm asking how that letter would have been drafted, who would have drafted that and why it would have been sent out. So we have three areas; you have described two perfectly. I'm worried about the third area, where the information was not requested but yet was sent to me.

Hon Ms Martel: Information is requested in a large number of ways, and we attempt as best we can to respond to that. I certainly think that when my colleagues in this House approach me with requests for information on specific issues that part of my role and part of my responsibility, frankly, as minister is to deal with that in the best way that we know how, and that is what we attempt to do. Correspondence will go out to people based on written communication to us, based upon verbal requests that we receive and based upon a number of phone contacts that may be received both by the political staff and by the bureaucratic staff. In each of those cases, in response to the request that we receive we attempt to provide the information in the best way we know how in compliance with all of the acts.

Mr David Turnbull (York Mills): Minister, I would like to ask you, what resources and money were used by your ministry to dig up the confidential information that we're talking about?

Hon Ms Martel: Mr Turnbull, in response to questions raised by Mr Miclash with respect to staffing in the correspondence unit, how much we spend on an annual basis to pay for staff salaries and the operation of the same and the amount of correspondence, I will also provide the same information to you.

1130

Mr Turnbull: Minister, that was not the question I asked. I asked how much money and resources were used to dig up confidential information on taxpayers.

Hon Ms Martel: Mr Turnbull, the role of the correspondence unit and the role of the ministry staff, as we all see it, is to deliver services in the best way we know how to the clients, both on the northern development side and across the mining industry. We believe we do that in a manner that is fair, reasonable and that deals in compliance with all of the various acts that this ministry and every other deal with.

Mr Turnbull: So is it your policy as a minister and, in fact, is it the ministry policy to disclose confidential information which is critical of anyone who criticizes the government's direction?

Hon Ms Martel: The policy of the Ministry of Northern Development and Mines, and I would assume all other ministries, is to deal with information, services and dealings with the public in compliance with any and with all of the acts that are present in the Legislature that all of us are expected to abide by.

Mr Turnbull: Minister, you're avoiding the questions that I'm asking. I asked specifically whether it was the ministry's policy to disclose confidential information about people who were critical of the government's direction, and I also asked how much money was used to dig up confidential information which was used to discredit taxpayers.

Hon Ms Martel: Any of the information that the ministry provides with respect to issues and to cases that it deals with is handled by our staff with every adherence possible to the spirit and to the guidelines of all of the acts that we deal with, including privacy, and we attempt to do that.

Staff across the divisions are trained with respect to freedom of information and privacy, and we attempt to do that in all of our dealings, correspondence or otherwise, with both the clients we serve and the people we deal with, both in northern Ontario and on the mine side.

Our policy is, throughout the ministry, to deal with people on a fair and a reasonable basis and to ensure that all of our dealings adhere to both the spirit and the intent of all of the acts that are there before us, both as a ministry and as MPPs.

Mr Turnbull: Let me ask you, Minister, do you read your correspondence before you sign it?

Hon Ms Martel: Yes, I do.

Mr Turnbull: As minister, did you not feel uncom-

fortable signing things which gave out such information about taxpayers?

Hon Ms Martel: I deal with and I read all of the correspondence that comes through to me. If I have any questions or concerns about them and about issues, I send it back for review. Clearly, by the time that information is given to me to sign, I am confident that all of the people within the ministry who have had any hand in dealing with it are confident themselves that the letter represents and very much adheres to all of the acts that we need to deal with.

Mr Turnbull: Do you ever change any letters, Minister?

Hon Ms Martel: I change a number of letters that come through to me on a number of issues, and I ask for further information and I ask for issues to be clarified. The reason I do that is because I also want to be certain that everything the ministry sends out, that goes under my signature, clearly respects and conforms with the spirit and the intent of all acts.

Mr Turnbull: Did you do that in the particular case of Mr Ficner?

Hon Ms Martel: Mr Turnbull, as I said earlier to Mr Miclash and to members of the committee, I do believe that the specific case you are referencing has been dealt with adequately by a third party. We have been able to make our representation during that process and we received a formal response yesterday by the commission with respect to a single recommendation that we have every intention of undertaking.

Mr Turnbull: Quite obviously, from the questions from the opposition today, both parties, you will see that we don't believe you have adequately dealt with this and this is why we have these questions about the process which led to the disclosure of confidential information obviously meant to smear a taxpayer who disagreed with the government, and this is not the first time—

The Chair: Mr Turnbull, order. I really am not ruling that you're not able to discuss the matter, clearly, but I would bring to your attention standing rule 23, which does discuss the matter of impugning motive. The facts of that are not before this committee, nor do they fall under the purview of the standing rules.

Mr Turnbull: Quite so, Mr Chair. What I'm attempting to establish is what this minister and this ministry does in terms of trying to dig up systematically confidential information, disclose it to the public in a case where somebody has criticized the government, and doing it on a very proactive basis. Many, many people received this letter under your signature which disclosed confidential information they hadn't asked for. You've heard Mr Miclash speaking about the fact that he received this information which he hadn't requested, and I'm trying to establish how much money—and this is very germane to this question of estimates—how much money and effort is undertaken by your ministry to dig up systematically confidential information about people who oppose the government, and then disseminating it?

Hon Ms Martel: Mr Turnbull, if I might, with respect to how much money it costs to operate the correspon-

dence unit, we will provide that information to you. The ministry—

Mr Turnbull: Excuse me, Minister, that is not the question.

The Chair: Let the minister complete her answer, please.

Hon Ms Martel: The ministry deals with all of its relationships to our clients across the mining industry and in northern Ontario in what I believe is a fair and reasonable way and in compliance with the act. All of the ministry staff understand that any information that goes out, regardless of form, is to be in compliance with any and all of the acts that we operate under and we, to the best of our ability, do that in all cases, regardless of whether or not the contact is made verbally or by correspondence, and that is how we approach all issues that are brought to our attention.

Mr Arnott: Mr Chairman, how much time does our caucus have remaining in this round?

The Chair: Five minutes.

Mr Arnott: How much time in total is the estimates for the ministry?

The Chair: Seven and a half hours.

Mr Arnott: So we're just about two hours—no, an hour into it or so, so we've got—

The Chair: You have a watch and so do I.

Mr Arnott: Okay, but I think, Minister, we—

Mr David Ramsay (Timiskaming): Is he one of your colleagues?

Mr Arnott: Yes, he is.

The Chair: He's the Vice-Chair of the committee, actually.

Mr Arnott: Continuing with these questions surrounding the way your correspondence unit operates, I believe you said in answer to a question from Mr Miclash that every letter you send out is a response for information from some individual, some person. Is that correct?

Hon Ms Martel: The information is generated in response to requests for information.

Mr Arnott: How very surprising. I get a lot of letters from ministers of the crown sent to me as the member for Wellington, informing me of various wonderful things the ministry is doing and things the ministry wants to promote, whether it be mining week and so on, that sort of thing. I think a lot of letters go out without specific requests for information from most ministry offices and I suspect your's would be similar in that respect. If you're saying that every letter you send out is a request for information, I assume that Mr Miclash must have written you a letter inquiring about the case of Mr Ficner. Is that correct?

Hon Ms Martel: Sorry?

Mr Arnott: Did Mr Miclash write you a letter inquiring about Mr Ficner's situation?

Hon Ms Martel: Mr Arnott, I think I've made it clear to the committee that neither myself nor the staff will be answering questions today specifically with respect to the issue that's been dealt with by the commissioner yesterday,

and I do believe the question you are asking me falls directly in that purview.

1140

Mr Arnott: I'm disappointed that you won't answer the question, because I think it's an important one and I think it's important for you today to clear the air.

Hon Ms Martel: I think the report itself is probably a public one. If you want to deal with that on your own time and in your own way, that certainly is your business. From my perspective, the matter was referred to a third party. That third party, after several months of investigation, has produced a report which became public yesterday.

That public report made a specific recommendation to this ministry with respect to how to deal with information and disclosure of personal information in a manner that is in compliance with the freedom of information and privacy act. We have been specifically requested to make sure that all of the ministry staff and officials understand that in disclosure we must be in compliance and that we should report back to the commissioner within a six-month period as to all of the work we have undertaken to ensure that happens. We intend to do that.

For my purposes today, I believe we have responded to the matter that has been dealt with by a third party. Neither myself nor the staff who are here with me today would be responding to issues of that particular nature, because we feel the matter has been dealt with by the third party. We are not here to reopen the matter that a third party has dealt with.

Mr Turnbull: Minister, what makes this case different from the Evelyn Gigantes affair where she resigned?

Hon Ms Martel: I think I've really tried to make it clear to the committee members who are here that, with respect to the case that has been dealt with in a very public manner and by a third party, I will not be here today answering specific questions about it. I do believe the question you have asked—and some of the others that have been raised by the opposition parties, to be fair—really does deal very directly with that.

We are certainly prepared today to deal with any of the issues or matters that are affecting the Ministry of Northern Development in terms of its policy and programming, but I do not intend to use this committee as a forum to respond to questions about the matter that I think was dealt with by the privacy commissioner.

Mr Turnbull: I believe this goes to the credibility of your ministry and your administration of it. The difference was that with Ms Gigantes it was an inadvertent slip. It seems to me that in this particular case this was a deliberate attempt to silence a critic of the NDP. This is vitally important to the credibility of you and your ministry. That is why I'm compelled to ask that question today.

Hon Ms Martel: I believe that in responding in a general way I have said what I will reinforce, that the ministry and the staff in all of its dealings with the public, whether they be our clients in northern Ontario or our clients in the mining industry, attempt to undertake all of those dealings in a way that is in compliance with

the spirit and the intent of every act we have to deal with. That is certainly the approach we take in all of our dealings, regardless of what they may be, with every individual we have a contact with as a ministry.

The Chair: Final question, Mr Turnbull, and it must be short.

Mr Turnbull: I question whether you're prepared to answer any specific questions today. It certainly seems from your opening comments that you are prepared to take credit for anything that you thought your ministry had done. Yet every time we talk about specifics, you want to steer away from it. We are here today to discuss your ministry, to examine its conduct and how it assists the people of northern Ontario. That is the duty you have to discharge.

When we ask questions about how your ministry is conducting those affairs, specific questions in terms of how much money is being spent by your ministry in chasing down confidential information—that is a very specific question—I believe it requires a very specific answer. So far you haven't given us any specifics. You've given us some generalities about your correspondence unit. I didn't ask for generalities about your correspondence unit, I asked for specifics about how much money was being spent on chasing down confidential information by people in the ministry to discredit those who are critical of your government's direction.

Hon Ms Martel: I believe I have made it clear, Mr Turnbull, that the ministry, in all its dealings with all of its clients, both on the Northern Development side and on the Mines side, deals with the public in a manner that is fair and that is reasonable and that to the best of our ability and our knowledge is in compliance with any and all of the acts that all of us are expected to deal with. We do that throughout the ministry, all of the staff are aware of that and all of the staff act in accordance with that belief and that mandate.

I believe that when I began the questioning I made it clear that we certainly were here, myself and my staff, to answer questions with respect to the role, the mandate, the policies and the programs that we deliver both on the Northern Development side and on the Mines side, and within that there will be a number of issues on which we will disagree, both in terms of philosophical approaches and money spent.

Mr Turnbull: Minister—

The Chair: Mr Turnbull, Mr Martin has the floor now.

Interjections.

The Chair: Mr Martin has the floor, Mr Turnbull. Mr Turnbull and the minister—

Mr Murray J. Elston (Bruce): On a point of order, Mr Chairman—

Hon Ms Martel: I didn't finish. Might I—

The Chair: No. I have a point of order that I have to deal with. What is your point of order?

Mr Elston: My point of order is this, Mr Chair: Is it now the intention of this committee to preclude any specific questions dealing with items specifically dealt

with, that we can never talk about anything other than generalities? Is it the position of the Chair of the committee that we have no right to ask about specific items, under this administration, of the Ministry of Northern Development and Mines?

The Chair: That's not a point of order.

Mr Elston: Yes, it is.

The Chair: It's a request for information, and when it's your rotation I'll be pleased to entertain it.

Mr Elston: Will you rule in order, Mr Chair, issues addressed to specific items that have been dealt with by the ministry as examples of its administration and of its capability of dealing honestly and with equity with individuals?

The Chair: Mr Elston, although I have made a ruling that it was not in order, and given that you've requested additional information, you did sit through estimates with me yesterday and routinely bore witness to a minister who was unable or unwilling to answer questions from time to time. The Chair doesn't rule on the efficacy of any given response and it's not an appropriate question to raise with the Chair because it's not a question of procedure.

Mr Elston: So we can't ask the minister—

The Chair: You can ask anything you want and the minister will respond. She has given you a response. I think that's fairly obvious. But in fairness to our schedule, I must recognize Mr Martin.

Mr Tony Martin (Sault Ste Marie): Thank you, Mr Chair, and it's good, actually, to be back in front of the estimates committee again. I don't sit on this committee on a regular basis but certainly take the opportunity, when it's afforded, to listen to the minister and the ministry re its operation in a part of the province that I feel very much attached to, have some personal commitment to, have some vested interest in, and that's northern Ontario.

I want to say that I was impressed three years ago, when I came before this committee, with the way that you handled yourself as Chair, and continue to be impressed this morning.

There are a lot of issues we need to cover, a lot of questions that need to be asked, and certainly northern Ontario, as much as the rest of the province, although experiencing some better times these days, still faces some major challenges. We need to be focusing on them and working out solutions to them together as a government, all of us.

Three years ago when I sat through estimates we were experiencing a very different environment than we have today, certainly a very dark cloud over the potential future fortunes of northern Ontario as the recession we've just come through really took root and took hold. It particularly affects us in the north because of the type of industry that we're in and the dependency up there on some very few basic stabilizers.

1150

I only have to reflect on some of the tremendous work and difficulty in doing that work that you and others went

through in trying to save the sawmills that many communities depended on solely for their livelihood, some of the paper mills that were in jeopardy, in direct attack, some of the major mining operations and some of the major industrial manufacturers in the north, all of them struggling to keep their heads above water, all of them wondering if there was to be a future, and of course along with that the communities that they supported, wondering what their future would be, what would be in store for them.

We talked very clearly, I think, and pointedly at that time about that challenge and you laid in front of us some of what your ministry was proposing to do and we talked about what you'd done and about your plan. It's nice that we're here three years later to review some of that, to talk about some of the successes that some of us are being buoyed by at the moment and to ask you some questions about what you have in store for some of the challenges that are still there.

I simply need to focus and I personally don't have to look very far, actually, to see the result of the tremendous effort that this government has made. Sault Ste Marie is a perfect example of the consistent, effective and timely response that you and your ministry have made to the challenges we face.

I think of Lajambe Lumber and the difficulties it has gone through and continues to face as we restructure a whole lot of things they have to deal with in terms of how they make a future for themselves. I think very excitedly about Algoma Steel and the very creative and courageous response of you and the Premier and the United Steelworkers of America and the people of Sault Ste Marie in front of that tremendously troubling challenge that was put in front of us. I think of the work and the effort and the commitment re the whole question of restructuring the Algoma Central Railway. We inherited a facility there that had been chugging along, barely making it from one day to the next, and other governments in other years had simply chosen to put more money into it as opposed to the very active and proactive position of your government in partnership with myself and some others, the unions and of course the major stakeholders and now Wisconsin Central, to find a future that's still unfolding for that piece of infrastructure.

Of course, St Marys Paper is one that we still struggle with, one that still holds a bit of a quandary for us, that is creating a fair amount of anxiety at the moment re its future in our community and the very important impact anything that happens there will have on us. I don't know if you've been reading the papers lately, although I'm sure your staff have, and informed you that this is 400 jobs in our community and a spinoff impact of between 1,200 and 1,500 jobs, not only in our community but in all of northern Ontario.

I know that we as a government are monitoring that particular piece of activity very closely and I'm hoping that in the end, as has been the case over the last three years in your personal situation and certainly in the response of other ministers and the government, the response will be courageous and yet sensitive to the forces that are at play and to the ability of all of the

players to contribute, given that this isn't the only piece of action that some of them are involved in.

It's always satisfying for me to be able to say to the people of my community that compared to other provinces particularly, we can say very proudly that there isn't one major industrial piece that our community has lost. They're still all there. They've struggled, they've been restructured and they're there contributing to the economy of our region, and that's thanks to you personally, it's thanks to your ministry and it's thanks to our government.

And some new things: Just recently I participated on your behalf at the ground-breaking for a Georgia Pacific Flakeboard plant that we in the Sault are very, very committed to. All of us who live in the Sault and visitors to the Sault walk up and down the new waterfront we've developed in Sault Ste Marie that will lend itself to the development of further tourism opportunities, all of these a reflection, in my mind, of the very consistent, effective and timely response of yourself and your ministry and our government to those issues.

When I think about it personally and I think of you, Minister, I can't help but feel that it sort of is part of the tremendous tradition of fighter that the Martel family represents when it comes to issues that affect us in northern Ontario, and you continue to exert that and to show and model that very important fighter, I think, position in front of these things.

I have a question but I guess I'll have to get to it later today.

Mr Ramsay: You're doing such a good job—

The Chair: I'm about to signal you've got one minute left. It's your call.

Mr Martin: I'm just so caught—

Interjection: It's a hard day's work.

Mr Martin: Yes. I'm just so caught up in what's going on that's good that it's hard to get to the question.

Mr Elston: It's your ministry. How do you like it so far?

Mr Martin: I just wanted to actually wind up my comments by saying as well that I recognize and appreciate the effort by you and your ministry to more coordinated and cooperative efforts with other ministries in the north. I want to recognize your personal commitment to that in a very important and significant way. I think the Ministry of Natural Resources and the Ministry of Northern Development and Mines are probably—

Mr Ramsay: A team now.

Mr Martin: —a team now, that's right.

Interjection: Definitely a team.

Mr Martin: Exactly. I want to congratulate—

Ms Murdock: A better team than—

Mr Martin: I want to congratulate the minister again for putting her own personal time and energy on the line in the interest in serving that part of the province that we're on here.

The Chair: Could the Chair thank the guest speaker from Sault Ste Marie?

Mr Martin: Could I just put a question on the order paper quickly before we go, and that's to the minister, and we'll probably get back to it this afternoon. You've placed in front of us today some of what's happened, some of the information and details and figures. I'd like you to talk to us a little bit about your hopes and aspirations and dreams and some of the things you have in place now that you see will be important to us all as we move into the next year and our next term as government and indeed into the next century.

The Chair: Thank you, Mr Martin. This committee stands adjourned to reconvene at 2 o'clock this afternoon. *The committee recessed from 1158 to 1410.*

The Chair: I'd like to reconvene the standing committee on estimates. We've completed a little under two hours of our seven and a half hours. Mr Martin had consumed all of the time allocated. There was a very interesting question in there, and in the next rotation maybe the minister will have some time to get to the answer, but I would like to move to Mr Miclash if I could at this time.

Mr Martin: We're waiting with bated breath.

Mr Miclash: Chair, as I indicated this morning, I was happy that we were allowed to come to these estimates and to put forth some of the concerns that we have about the ministry, about the minister and some of her actions. We also see these estimates as an accountability session, a session where the minister should be held accountable for what she has done in the past.

I'm going to go back to a letter that I received as an MPP, a letter that was not solicited by myself—it was of course a letter sent to me dated May 25—and ask the minister as to who initiated the letter and how it came by that it came to me without a request from my office.

Hon Ms Martel: As I mentioned earlier in the questions that you raised dealing with this particular issue, I do believe that the specific issue that you referred to is one that has been dealt with extensively by the Information and Privacy Commissioner. In fact, there was well over a four-month investigation into a complaint which had been raised against the Ministry of Northern Development and Mines. Yesterday that third party released a report with respect to its findings on this matter and made a recommendation to us that we will follow up on.

I do not think it is appropriate in this forum, which is the estimates forum, to be discussing or retrying or re-examining or dealing with the merits or the issues involving that case. I do believe that the commissioner has made a response, and we as a ministry and the deputy and myself will undertake to respond to that recommendation as soon as possible and provide him with a plan with respect to the steps that we have undertaken in the ministry to comply.

Mr Miclash: Minister, are you telling me that you are not willing to be held accountable for this letter under your signature?

Hon Ms Martel: What I am saying and what I have said earlier today is that it doesn't seem to me that I should use this forum to retry a case and an investigation

that has already been carried out by a third party. That third party had the responsibility to deal with the complainant and with the ministry and make a report and make recommendations, or a recommendation, and that third party has done that, and we will comply with the recommendation of that third party.

Mr Miclash: Minister, I don't think you're answering the question. I've asked, do you feel that you should not be accountable for a letter that was sent out under your signature?

Hon Ms Martel: If I might, Mr Miclash, I think I made it clear to all members at the beginning of the questions today that certainly we wanted to deal with issues that affected Northern Development and Mines and affected mining clients across the province, but that clearly the position I was going to be taking here today and tomorrow was that with respect to the specific issue that you are trying to raise with me, I would not be using this forum today to make any references to it. We have declared publicly and to the commissioner that we will respond to the recommendation, and we intend to follow up and do that.

Mr Miclash: Minister, I think what we have to establish before we go on to any of the issues, which I indicated earlier were quite important, as to whether you're accountable, whether the people of northern Ontario can count on you as their advocate in northern Ontario—and we haven't established that yet. That is what I am trying to establish at this moment. Would you please answer the question.

Hon Ms Martel: I think with respect to people in northern Ontario counting on me and our ministry to be their advocate, I would like to say the following. On behalf of the government of Ontario, this ministry and I as minister carry out the following corporate responsibilities for the people of northern Ontario: We administer the Canada-Ontario infrastructure program.

Mr Miclash: Sorry, Minister.

Hon Ms Martel: We administer the Jobs Ontario Capital program.

Mr Miclash: You're not answering the question that I asked.

The Chair: Mr Miclash, Minister. Mr Miclash, we're going to be here until 12 noon tomorrow, and I suspect that—

Mr Miclash: Mr Chair, I've asked for—

The Chair: No. I have the microphone at the moment. You specifically asked, "What are you doing with your ministry?" I heard that.

Mr Miclash: No.

The Chair: I'm sorry, Mr Miclash. I'm giving some latitude here. You have a 20-minute time frame and you've asked a question. The minister is responding. If the minister takes too long responding, I will cut her off. But you have the right not to be interrupted when you're asking your questions, and she has a right to respond when asked a question.

Mr Miclash: I also have the right to get the answer to the question I asked.

The Chair: No. I'm afraid I wish I had that privilege to convey to you, and I can tell you that I have sat in this chair with three different governments and have not always gotten answers. I can't impel anybody to give an answer; neither can this committee. I thought I made that very clear to Mr Elston earlier this morning and perhaps, if you wish further clarification, I will. But I am using your time for clarifying a matter of how this committee operates and I think I can't impel the minister to respond beyond the manner in which she has been responding.

Hon Ms Martel: If I might continue, in terms of advocacy for northern Ontario, I've mentioned the two programs that we administer. We also administer the Jobs Ontario Capital fund on behalf of the government. We administer the economic relocation fund in Elliot Lake and in the Tri-town on behalf of the government. We administer the \$48-million aboriginal infrastructure program in northern Ontario on behalf of the government. We administer the entire Northern Ontario Heritage Fund Corp board and its \$30 million of funding which is annually allocated on behalf of the government. We are deeply involved with MNR in the hardwoods project, which will bring a great number of jobs and private sector investment to northern Ontario.

So I do believe, in terms of advocating for what we think is needed in northern Ontario in the way of capital infrastructure, in the way of support for business, small and medium, in the way of supporting our traditional resource industries of forestry and mining, clearly I believe that I and the ministry do advocate, and we do that well, on behalf of our clients in northern Ontario, and that we run and administer a number of programs on behalf of the corporate body of government, which proves that.

Mr Miclash: Minister, let me get back to my initial point. The people of northern Ontario want to know that they have an accountable minister at the helm. You can go on and on about the various things, but what they want to know up front is, is the minister who is representing their interests, as I indicated this morning, at cabinet, throughout the province, throughout this country, accountable?

What I'm asking you is that you signed the letter sent to me, a letter that was not at all requested; the information in the letter was not requested by myself. Do you find that the letter was signed by you and that you are accountable for what was in that letter sent to me?

Hon Ms Martel: I think, Mr Miclash, as I stated earlier, I'm trying to deal with issues and programming which deal with both sides of our ministry. I did, however, I think, make it clear to all of the committee members earlier on when we started the questioning this morning that in terms of the specifics around the case which was dealt with by the commissioner, I would not be using time in this forum to respond to those specifics because I believe that the third party which was asked to investigate it and which has produced a report did just that.

Our intention now, and what I think is most important for us now with respect to that issue, is to follow up on the recommendation which was made by the privacy

commissioner's office, respond to it, and ensure that all of our staff are very clear about procedures and policy when dealing with the disclosure of personal information.

Mr Miclash: Minister, you were able to give out private information which was not even solicited by myself, and I've indicated that. That was in your interest, to ensure that I got that information. But yet today you are telling us that you cannot discuss this. I think you're being very selective, and my frustration is growing. This is the matter at hand, this is the matter that I want to get on to. This is what I indicated was an accountability session. These are estimates. This is the matter that interests me. This is the matter that interests the folks across Ontario.

I again ask you: Do you feel that you are accountable for the letter sent to me on that date, May 25, 1993?

1420

Hon Ms Martel: I think the matter at hand has been very carefully and thoroughly dealt with by a third party. This complaint was raised with them, with respect to the conduct of the ministry and a particular issue. Much time, much investigation and much work was done by the third party to determine the issue at hand and to make a recommendation. We have said very publicly we will comply with that.

I do believe that what is of interest to the people of northern Ontario and our mining clients is very much what we intend to do to deal with a number of issues and deal with a number of concerns in their communities which they continue to have. I am certainly prepared to deal with all of the programming and the initiatives and the matters that we continue to try and deal with in conjunction with our stakeholders, but I am not prepared to redo or retry or reintroduce in any way, shape or form the case which I do believe was effectively and adequately dealt with by a third party.

Mr Miclash: Minister, let me make it very clear. The people of northern Ontario at this present time are questioning your accountability. We've had the Sudbury incident with the Martel inquiry. We've had this incident over the past few weeks. They are questioning your accountability. You indicated earlier that you were to act as an advocate on their behalf. They want to know whether you are the accountable advocate they are looking for.

I ask you again: You were the one who signed the letter to me. Was it accountable?

Hon Ms Martel: I believe that the people who are across Ontario, in northern Ontario in particular, are concerned about jobs and the economy, what their future is, and are their kids going to have jobs? What we have been trying to do very much in the ministry over the last four years, despite the very difficult economic times, has been to respond to that concern and that priority, which I think is at the top of their minds.

Earlier, when I went through the program and the delivery of the same across the ministry, I did try very hard to indicate the kinds of capital programs we have in place in the ministry to respond, to try and get short-term and long-term job creation. I talked about the very

specific initiatives we have at the Northern Ontario Heritage Fund Corp to deal with small and medium business to try and create new jobs in northern Ontario. I talked very clearly about the role that we are playing with MNR to deal with the hardwoods project, which will again create several thousand new jobs in the forestry industry in northern Ontario.

I think those are the kinds of things that this ministry represents, is concerned about, is worried about and is interested in, and I am trying to underline those to the committee members this afternoon and also indicate that those projects that deal with those specific issues are ones that our ministry and myself will try to continue to deal with and bring to fruition over the next number of months.

Mr Miclash: But again, Minister, I bring a very specific issue to the committee, an issue again that came through a letter to me. Being that you are unwilling to answer any of the questions I have about this letter, would it be appropriate that we ask for your legal counsel, Mr Stepinac, to come forward? I understand he is in the audience and that he may want to share some information on this issue and this issue that is close to me at this present time.

Hon Ms Martel: I think I made it clear when we began the line of questioning this morning on this issue that neither myself nor my staff were here to retry the issues involved in a case that a third party has dealt with. Neither my staff nor myself who are here today will get involved in discussing the issues surrounding that case. We think the third party has made its recommendation and its point of view very clear and we intend to follow up on it.

The Chair: I must intercede here because you've put the Chair in a difficult position. It is the right of every member of this committee to raise questions with the minister and/or staff. If I am listening carefully enough to the minister, I think she's suggested that she's directed her staff not to respond to this. That would be a first in my nine years here that I have ever had that statement made by a minister. Perhaps the minister may wish to clarify that, but I cannot in any way leave the assumption that Mr Miclash has lost the right to call forward a staff member, and I mean ministry staff as presented in the docket which has been tabled by the minister. If they choose to answer a question, that's another matter, but I have difficulty, as the Chair, hearing that any staff member has been directed not to respond to something.

This matter is not before the courts nor a tribunal of this Legislature in any form. Therefore, if called for a ruling, I'd have to discuss this matter even further. So could I turn the microphone back to either the minister or Mr Miclash, and hopefully that Chairman's interruption is helpful.

Mr Miclash: Mr Chair, I think I would call for a ruling on this. We have indicated that we are into—

The Chair: I'm sorry, it's not a ruling. If you have a specific staff member you'd like to call forward, do so. Place your question. But I'm not suggesting I'd like to get into a debate about what can be answered and not be answered. I merely wished to advise the committee,

before I heard a question of order as to whether or not—your ability to call forward a specific staff member to ask them a question. That is your right in accordance with the standing orders and the procedures of the estimates committee.

Mr Miclash: So at this time, you're suggesting that I could call forward the legal counsel, Mr Stepinac?

The Chair: I need to know if this is the legal counsel to the minister or legal counsel to the ministry.

Interjection.

The Chair: Mr Miclash, you're a member of this committee. You're familiar—you can ask any member of the ministry staff to come forward to respond to a question. That's all I wish to say at this time.

Mr Miclash: At this point, I would like to call Mr Stepinac forward so we can ask him questions.

The Chair: Is Mr Stepinac present? Please come forward and identify yourself, and I'll ask Mr Miclash to restate the question.

Mr Stephen Stepinac: My name is Stephen Stepinac. I am a lawyer with the Ministry of the Attorney General, as all government lawyers are, seconded to the legal services branches, and at all the times that we're talking about, I was legal director for the Ministry of Northern Development and Mines.

The Chair: So you are a member of the Ministry of Northern Development and Mines staff.

Mr Stepinac: I don't want to be technical with you—

The Chair: Seconded from the Attorney General.

Mr Stepinac: Yes.

The Chair: Fine. That's sufficient. Please place your question, Mr Miclash.

Mr Miclash: Mr Stepinac, if you could, please, could you tell me as to where the letter dated May 25, 1993, came from to you for review, or did it cross your desk for review?

Mr Stepinac: Mr Miclash, with the greatest of respect to you and to this committee, I'm not prepared to discuss that letter or this case. I also very strongly believe that the matter that you're alluding to has been fully investigated and has been determined by the privacy commissioner, and I also feel that it is inappropriate to try to retry, re-examine or rediscuss the issues in that investigation at this committee.

The Chair: Is that your legal opinion or your personal opinion?

Mr Stepinac: That would be both.

The Chair: This is fascinating.

Mr Miclash: Extremely confusing. Extremely confusing.

Mr Elston: May I, Mr Chairman?

The Chair: You have one minute left in your cycle.

Mr Elston: Are you refusing to answer this question on the basis that you're expecting more litigation?

Mr Stepinac: No, Mr Elston.

Mr Elston: Are you refusing this because you perceive that you have no obligation to advise elected

members of the Legislative Assembly of Ontario about the operations, your internal operations and your legal operations, in the Ministry of Northern Development?

Mr Stepinac: No, not at all.

Mr Elston: Then why won't you answer the question?

Mr Stepinac: Well, I did address—

Mr Elston: There's no legal impediment, but there's a personal impediment. What is that personal impediment? Have you been instructed not to answer the questions?

Mr Stepinac: I've not been instructed to not answer the question, and I did try to answer the question the way that I feel is proper. I do believe that this is an inappropriate forum and would be showing some disrespect for the process that the commissioner's office has just—

Mr Elston: What process? What process? Did you know—

The Chair: Mr Elston, four of your last five questions were—I apologize, but your time has come to an end. We are going to be here till noon tomorrow.

Mr Elston: I just want to remind people that the Legislative Assembly is the employer of the commissioner—

The Chair: Mr Elston, I understand.

Mr Elston: —that we are the people who are elected to delve into the public business, and just because a bureaucrat feels that he shouldn't have to answer a question doesn't mean that it's right.

1430

The Chair: Mr Elston, there is plenty of time this afternoon.

Mr Elston: If the people's forum is an inappropriate forum to ask these questions, then there's no reason for us to be elected to represent the people.

The Chair: Mr Elston, please, you're out of order. I would like to recognize, in respect for the schedule of time which has been allocated fairly, Mr Arnott.

Mr Arnott: I'll follow up to Mr Stepinac. You must understand the frustration of members of this committee. The estimates process, I'm sure you're somewhat familiar with. This may be the first time you've been at an estimates committee meeting, but it's a matter of accountability of various ministers to the Legislature. The convention has been that we can ask questions of the minister on just about any issue with respect to the ministry.

This issue that we're concentrating on right now is of public concern today. The minister has consistently refused to answer any of these questions and she has a statement that she makes each time. It's very frustrating for us. Why won't you answer the question that Mr Elston has put to you?

Mr Stepinac: First of all, I did try answering several of his questions. Perhaps you could help me by rephrasing what your question is.

Mr Arnott: Has the minister instructed you to refuse to answer questions?

Mr Stepinac: I did answer that question, and no, she

has not instructed me to not answer questions about this matter. I'm here.

Mr Elston: But you're not answering anything.

Mr Turnbull: This is a mockery, saying: "I'm here. I'm not answering the questions."

Mr Elston: Do you agree with me or don't you?

The Chair: Mr Turnbull and Mr Elston, please. Out of respect for Mr Arnott, if for no one else, please, it's his time and I'd like to keep only one person speaking at one time.

Mr Arnott: Have you had any direct involvement with this issue previous to the last couple of weeks? I think the question Mr Elston raised was, did you provide advice to the minister with respect to whether or not what she had planned to do in this letter to Mr Michash was a breach of the privacy act?

Mr Stepinac: Yes. As I mentioned, I was legal director to the ministry at all the relevant times and I've previously, in speaking with others, indicated that I had provided legal advice in this matter. I hope you appreciate that that is another reason why certain areas of questioning create a professional difficulty for me in terms of solicitor-client privilege.

Mr Arnott: The minister has said, subject to the advice that she received, what she intended to do in this letter did not breach the privacy act. Can you explain to the committee why it would not breach the privacy act?

Mr Stepinac: The privacy commissioner has considered all of the submissions that I was able to make and which I had thought through earlier in terms of the interpretation of the act. The commissioner has now interpreted the act in a way that we've all become familiar with and—

Mr Arnott: I'm not a lawyer, and it appears to me we've got maybe a subjective matter where differing opinions can be brought to bear. Can you explain why, in your opinion, it did not breach the privacy act, what she had intended to do?

Mr Stepinac: I guess the best way to answer that is, the opinion I had initially given was not concurred in by the privacy commissioner, and that is obviously the result of the recommendation and decision that we now have.

Mr Turnbull: Mr Stepinac, at what point were you requested to give a legal opinion on the appropriateness of releasing confidential information? When did the minister ask you for an opinion on that letter?

Mr Stepinac: Again, I've indicated that I don't want to be getting into the details of the case that the commissioner's office has just investigated, but I can give you my assurance that I was consulted, that legal advice was sought prior to the letter being prepared and I gave legal advice.

Mr Turnbull: Let me ask you, since the commissioner has given his ruling—this is not a provisional ruling, this is the final ruling—why would it be that you would not give an accounting to a committee which is responsible for overseeing the affairs, the activities of the ministry when that matter is concluded?

I can only ask, I know you were asked this before, but

are you anticipating some further legal actions?

Mr Stepinac: I'm not anticipating any specific action. I know that in law there are various possible legal actions that might occur. I think what I'm trying to avoid is re-examining the case that the commissioner's office has just investigated and reported on.

Mr Elston: That's certainly true.

Mr Turnbull: We're not asking you to re-examine it. We're asking for answers as to the circumstances under which you gave this opinion that it didn't violate anybody's rights, releasing this confidential information.

Mr Stepinac: Well, again, I'm conscious and I hope you are at least sensitive to the normal sort of solicitor-client privilege that does apply to these types of situations, and I'm reluctant to get into the specifics of advice that was sought and given by me and relied upon. All I can do is say that it was asked for and I did give it. The commissioner's office has considered the matter very carefully now and I'm trying to avoid rearguing the case that I put forward initially.

Mr Turnbull: It seems to me that there's a vast difference between what a lawyer might normally call a "client" when your client was the government of Ontario, and you will appreciate that we are responsible to the people; the whole government, not just the party that won power. We are the responsible people who report back to the electorate. I don't believe you were retained as a personal lawyer to the minister. I believe that you were on staff as a lawyer advising the ministry. There's a vast difference there.

You surely are not wanting to hold back information after the conclusion of that investigation which would further enhance the understanding of this committee about the workings of the ministry, which is specifically what this committee is empowered to look into.

Mr Stepinac: I'm not sure what—

Mr Turnbull: I'm asking you, who do you feel that you represent, the minister personally or the government?

Mr Stepinac: No, I always have and I continue to consider it a personal and professional privilege to provide advice to cabinet ministers. I am quite aware of the fact that there is a governmental background and an institutional context. I've enjoyed working within it for some years and I have a very, very high regard for it. I have no intention at all and I'm not trying to belittle the considerations of this committee and suggesting that advice given to a cabinet minister is in a realm that doesn't deserve scrutiny.

I think all I'm saying is that there has been scrutiny given, very careful scrutiny, by the freedom of information and privacy commissioner recently to the advice that was given, to the considerations that were provided and relied upon, and the recommendation has been given as to what the perhaps proper, shall we say, interpretation of the law should be. I'm very deferential to the proper role of that tribunal and I respect its mandate to provide its experienced and considered advice as to the proper interpretation of the act. I accept that and I'm not seeking and I don't believe that it would be appropriate for me to be seeking an opportunity to try out arguments that

obviously didn't prevail in the course of that investigation.

As far as answering questions of this committee, I hope I've indicated I do have the highest regard for its considerations and—

Mr Turnbull: With all due respect, there's a difference between that process, which has clearly found the minister in violation of the law, and the Premier's guidelines. I mean, that's not in dispute. We're not talking about that. What we're talking about in this committee is the operation of the ministry, which is specifically what we're here today to do, to understand how the ministry works.

If we've got this organization which is spending its time slandering the citizens of Ontario, I think we'd better get to solving the problems of the ministry and understand whether the minister can possibly continue in her role as minister, because the people of northern Ontario expect to be represented, and when you have a minister who absolutely has been found to be in violation of the act and the guidelines, we're trying to find out the circumstances of what goes on in the ministry.

1440

We're not retrying the case against the minister. That's over; she's guilty. So I'll ask you once again: Will you please answer the questions at hand that both Mr Elston and my colleague have placed?

Mr Stepinac: I will. I will do my best to answer them as best I can, Mr Turnbull. All I can tell you is that I hope you appreciate that there are some professional constraints on the amount of information that I'm prepared to disclose today. When my legal advice was sought I gave it as best I could, and I'm not prepared to get into an area of what I consider to be solicitor-client privilege in a historical and simple sense that I think we're all familiar with.

Secondly, I have no wish whatsoever to try to get another opportunity to put forward whatever submissions I may have put forward in the past about the interpretation of the act. Aside from that, I'm more than happy to try to help.

Mr Turnbull: When you were asked for legal advice with respect to this letter, did not lights go off in your head as to the fact that the ministry was conscientiously going around collecting confidential information about a citizen of Ontario for dissemination to discredit that man?

Mr Stepanic: Mr Turnbull, all I can say is, this is precisely what the freedom of information commissioner has investigated and has considered all of my thoughts on and has provided an interpretation of the act.

Mr Turnbull: Let me ask you in a general sense, as legal counsel to the ministry, do you think it appropriate that a government should set out to discredit somebody who disagrees with them?

Mr Stepanic: Well, obviously, no one would think that.

The Chair: Mr Turnbull, I interjected on a point of order earlier and I think we have to be very careful. To my knowledge, there's no evidence to support what's implicit in the statement impugning motive here. I just

think in fairness to the parliamentary procedure and our standing rules, it would be helpful today if you'd rephrase that. I have ruled that impugning motive would be inappropriate in the setting and the circumstances, as this committee understands the circumstances.

Mr Turnbull: Mr Chairman, I have asked in a general sense, is it appropriate that a government ministry should set out to actively collect information of a confidential nature about a citizen and then disseminate that?

Mr Stepinac: Other than in conformity with the law, is that the final part of your question?

Mr Turnbull: Yes.

Mr Stepinac: I think everyone in this room would agree that it's improper for ministries to be consciously carrying on that sort of activity; that's right.

Mr Arnott: Mr Stepinac, do you provide legal advice to a number of cabinet ministers, not just this one?

Mr Stepinac: No. The way the Ministry of the Attorney General operates, we're assigned to a specific ministry and minister. I have in the course of my career provided advice to other ministers, but I'm not sure that's what you're asking.

Mr Arnott: Northern Development and Mines is the only ministry you work with.

Mr Stepinac: At the time that we're talking about, that's right.

Mr Arnott: Okay. The minister has said that the privacy commissioner conducted a complete investigation of all the relevant facts. You've said that you provided advice to the minister, and the advice was that what she had intended to do did not breach the privacy act. Did you make some sort of submission to the privacy commissioner in the context of the investigation that the privacy commissioner undertook?

Mr Stepinac: Yes. There were two opportunities to make submissions to the commissioner and I—

Mr Arnott: In a verbal sense—

Mr Stepinac: Oh, no.

Mr Arnott: —or in writing?

Mr Stepinac: Yes.

Mr Arnott: Okay, in writing.

Mr Stepinac: Yes.

Mr Arnott: Would you be prepared to release to the committee a copy of your submission to the privacy commissioner?

Mr Stepinac: Again, we're getting into the same area that I talked about earlier. I'm not looking for an opportunity to retry a case that I obviously was not successful in winning.

Mr Arnott: We're not looking to retry it either. We're just trying to find some of the background information as to what was the basis for the decision, I guess.

We accept the fact that the minister breached the privacy act. I think the minister accepts that fact. She said that in the future she's asked her ministry officials to be conscious of this decision and implicitly not to do it again.

Mr Stepinac: Mr Arnott, I think what I'd like to do

is this: I would like to check with the privacy commissioner's office, first, to see if it has any concerns about what it is that I'm releasing. I honestly, off the top of my head, don't know whether there are some other provisions of the privacy legislation that we'd have to be conscious of in the course of divulging correspondence.

The Chair: Three minutes, Mr Arnott.

Mr Turnbull: You know, Mr Stepinac, I'm struck by the peculiarity that you're defending the concerns that you've got to go to the privacy commissioner on this to protect the minister—

Mr Stepinac: Oh, no.

Mr Turnbull: —but you gave advice to the minister that it was fine to let out confidential information about a taxpayer who opposed the government. Doesn't there seem to be a contradiction in that statement to you?

Mr Stepinac: No, that's not my concern at all. I do sense a certain irony in the situation, and that's what I thought you were getting at. My concern is simply that there is an issue of personal information and disclosure of personal information that may arise, ironically. I'm still bound by the same law and I don't want to—

Mr Turnbull: Violate it twice.

Mr Stepinac: —find out that I don't have the concurrence of the privacy commissioner.

I was going to say that there are two things I'd like to do, and the other is to satisfy myself just simply professionally that there is not an issue of solicitor-client privilege that shouldn't be considered here. I can tell you this also: If you've had an opportunity of seeing the privacy commissioner's report, there is reference made to the legal positions that were taken there. In any event, I think I've answered that question.

Mr Arnott: Mr Chairman, how much time do we have?

The Chair: One minute.

Mr Arnott: I'd just like to go back to the minister very briefly since we only have one minute to go. How many members of the Legislature did you provide this information to, Minister? Mr Michlsh, Mr Chiarelli. How many other members? Who received this letter?

Hon Ms Martel: Mr Arnott, if I might, I've been quite consistent in saying very clearly to the members of the committee that I do not think we would use this forum, and I would use this forum, to retry or re-examine or rediscuss or go through again this particular case. I do believe that after four months, the third party in this case, the information and privacy commission, examined everything that there was to examine and has made a ruling. It is a ruling which this ministry will both abide by and take into account and make sure we respond back to within a six-month period concerning all the steps we've taken to make sure that all of the staff are cognizant of dealing with personal information in a manner and form that is in compliance with not only this act but all others.

Mr Turnbull: On a point of order, Mr Chairman: I recognize that the minister is probably feeling quite humble today, but could we please ask her to speak up

into the microphone so that we might hear properly what she is saying.

The Chair: Thank you, Mr Turnbull. Mr Martin.

Mr Elston: Oh, no.

Mr Martin: Yes, I placed a—just a minute. I've lost my notes.

The Chair: I must inform you, Mr Martin, that this time you have 20 minutes, and the minister is anxious to respond to your morning series of questions.

Mr Martin: That's what I would prefer to have happen, if the minister would be so kind as to talk to us a bit about those issues that are most, I think, of interest to at least the constituents I represent in Sault Ste Marie re her ministry and if we could hear a bit about her future plans for economic development, for the creation of jobs, the preservation of jobs, and as such the enhancing of the quality of life of all of us who choose to live in northern Ontario.

1450

Hon Ms Martel: I'm sorry, I'm just making some notes to myself, Mr Martin. Let me begin in the following way. There are, I think, a number of initiatives that we as a ministry have undertaken to deal with economic development and with diversification in northern Ontario and we will continue to deal with those. There are also some other possibilities which we as a ministry continue to work on now which I think are of interest to the committee.

Specifically, clearly our role as a ministry is to support the traditional industries which in turn have supported our economy in northern Ontario, and the two of those would be forestry and mining. On the forestry side, if I might, we spent a substantial amount of money, frankly, during 1991-92, through the Northern Ontario Heritage Fund Corp to sustain a number of communities whose employment was derived almost primarily or singularly from sawmills, and at that time, with the high value of the Canadian dollar, with the trade war that was going on with the United States, a number of those were in a very difficult position. We provided some financial assistance to a number of communities which, as it has turned out, have survived through the recession and which at this point in time are making more money than ever before in the province of Ontario. So we took some very specific steps, and the industry and those communities as a consequence continue to survive and should be in a good and healthy position in the long term.

Secondly, we are working with the Ministry of Natural Resources on the hardwood initiative, which is the use of birch and poplar in the forestry industry, because we believe that is a way for a number in our forest products industry to go because there is a huge demand for these products across the United States. We're very pleased, so far, by the work we have done in participation with the ministry to review the business proposals that have come in between northeastern and northwestern Ontario to establish new mills or expand current mills. We have made five announcements to date, the most recent this morning in Timmins, and we have a number of others where we will be developing new mills, and across all of

those proposals we'll employ several thousands of people in new jobs, which I think will be important for workers and their families in our part of the province.

On the mines side, we have certainly gone through some very difficult economic times and as a consequence we spent a lot of time, when I came to this ministry originally, dealing with our client groups to find out what it was that we could implement or be helpful with which would in turn have them invest more money in exploration and development, claim-staking etc in the province. Earlier this morning I outlined some of the initiatives—I'll try and quickly reinforce them—which we think will be helpful to them and will sustain the industry in a healthy way in the long term.

We spent an enormous amount of money on the capital side to develop our databases. We will have the best databases in North America over the next two years, which will provide to our clients the most up-to-date and relevant geological and geographical information they can possibly access with respect to mineral potential in the province.

Secondly, we continue to maintain a number of financial assistance programs for prospectors and developers and for junior mining companies to try and encourage them to do their work in northern Ontario, and we do that through the Ontario incentive mining program and Ontario prospectors assistance program. We also do that through the Northern Ontario Heritage Fund Corp and we do that through another program called NORT, northern Ontario resources transportation, which provides assistance on a cost-sharing basis for developing access roads into mining sites.

We've also very much tried to streamline our regulatory process in the province, both in terms of permits and environmental regulation, because we know people make investment decisions based on how long it will take them to get permits. We're very cognizant of the fact that it takes a lot of money to do that kind of thing and you want some certainty in getting through the process.

We will be undertaking in Ontario the provincial response to the Whitehorse mining initiative, which also emphasized a number of other areas that our mining clients felt government could be helpful in dealing with in order to ensure that mining continues in this province and across Canada. Our next meeting will be on October 25. I look forward to working with our clients not only in the industry but in the environmental, native and union community, to work through those recommendations not only through my ministry but through the other ministries of this government that are implicated.

We do recognize, however, that in sustaining our traditional resource space we also ought very much to try and promote other diversification efforts which will supplement the funds that come into a community through mining and forestry, so we spent a great deal of money in two areas, one on the development of snowmobile trails throughout northern Ontario and in fact throughout the province, some \$14 million through Jobs Ontario Capital that was announced two years ago. In that respect, we have trails that are being developed right across in particular our special part of the province,

which have resulted in an enormous benefit to a number of communities.

In all my travels in the north last year, in every community that I was in, the mayors and the reeves and the chambers of commerce who talked to me about Sno-TRAC were very clear that huge numbers of people, particularly from the States, were coming and supplementing the economy in buying gas, staying in their hotels and purchasing food and were really helping to diversify the economic base.

We've also tried to promote summer tourism opportunities. We've really made a very significant investment in waterfront developments in about 50 communities across northern Ontario. We've made several millions of dollars' investments in a number of communities so that they can have the facilities in place in terms of slips, marinas, service crafts, machine operations etc to service all of that kind of boat trade, again, which predominantly comes from the United States. We've made a major investment on the capital side to make sure that the tourism sector in northern Ontario has a good base for both winter and summer tourism.

Two other things, if I might. We continue to be very conscious of the need to support northern businesses and northern entrepreneurs. We annually allocate all of the funds we receive at the Northern Ontario Heritage Fund Corp to support northern businesses and northern entrepreneurs to allow them both to retain their current level of employment and to expand the level of employment as well.

We have done some very good work in a number of sectors, some new sectors in the last year, as a matter of fact, to ensure that we are recognizing all of the players that make an economic contribution in northern Ontario—agriculture and food, for an example—and can find ways and means to support them either through grants or loans and loan guarantees to ensure that this employment and those employment levels will continue.

Finally, given our example in Kapuskasing, at Algoma Steel, at Provincial Papers in Thunder Bay, we very much do believe in a philosophy that allows communities and workers in communities to participate in their place of employment and in their industry.

I guess I've been particularly pleased that in the time we've been here we've been able to put forward legislation which allows for labour-sponsored venture capital funds which allow for employee ownership of companies, because I think, in the cases that I've just described, they have been what has saved those communities and those places of employment. We will continue to work with both workers and community members to try and develop share corporations, for example, to try and develop strategic plans so that communities themselves have the funds and the legislative tools to secure their own economic development opportunities, as they've had in those major cases.

Mr Martin: I'm going to turn it over to my colleagues.

Mr Daniel Waters (Muskoka-Georgian Bay): I come from the riding just south of you, the wannabe

riding. I guess it's because I'm jealous that I don't have a minister who is so dedicated as you and your ministry are to your communities. I find it amazing, when I travel through the north, working with Tourism and Culture and Recreation, the work that you do in your ministry.

I'd like to focus a little bit, indeed, partially on Sno-TRAC, one of my favourite topics, as well as waterfront. I know you've been doing a lot of work on waterfront in northern Ontario as well as with Northern Ontario Tourist Outfitters Association. Especially in recent months I believe that your ministry has been taking the lead in doing something. When we became the government I remember sitting in on a couple of meetings with Mr Wildman trying, very early on, to ensure the very survival of NOTOA, which is a vital part of northern Ontario. I know that you've been very active in doing that.

The Sno-TRAC, even Mr Miclash has sent a note across the floor to me saying that this is probably the best thing that has been done by any government in winter tourism, ever. In my travels, I can tell you, from everywhere in northern Ontario, indeed through to New Brunswick, I get nothing but: "How did you do it in Ontario? It's a good job. Well done. How do we indeed learn from your experience?"

1500

If you could go and talk a little bit more, maybe, about how tourism is changing in the north, how that leads to viable communities that were marginal before because of the loss of mining or timber in the area, and maybe if you could also touch on, at the same time, if your ministry has some sort of vision with the Ontario Northland Transportation Commission and future linkages between this major industry and the tourism community that you're building in the north.

Hon Ms Martel: Let me go back and maybe talk a little bit more about both the Sno-TRAC program and waterfront development. I want to make it clear to everyone that the ministry continues very strongly to support the traditional resource industries in northern Ontario. Those industries support and provide a livelihood for thousands of people in northern Ontario and the value they return to the economy in terms of economic wealth generated is terribly important to us as well. So we do spend a significant amount of time supporting those traditional industries.

I would not here, in any way, shape or form, suggest that we are looking to tourism opportunities to overtake that. What we are looking for, however, is for tourism opportunities which will supplement the income that people derive from those tourism opportunities and which will help those communities that have traditionally been dependent on a single industry to have some economic diversification and a separate and different source of funding to generate both employment and economic wealth in their communities.

Having said that, two years ago, when the cabinet made the decision to move forward on Sno-TRAC, obviously there were concerns around a number of tables that a \$12-million investment in a transprovincial snowmobile system was a large amount of money to be

dedicating on the capital side when we were also concerned with the funding of hospitals, schools, social services etc. However, the argument that was made very strongly by me and a number of others was that this was a very important economic generator in northern Ontario in particular, although I recognize that Sno-TRAC extends to some southern communities as well, and that the people involved in snowmobiles, through the federation in particular, could deliver on both the jobs and the local share of funding that was required to make this program work.

What we have seen, in fact, is that in all ways, shapes and forms our investment of money in this has by far and wide paid for itself. We've seen that on a number of fronts. First of all, with respect to the local clubs, the amount of money they have raised to carry out their portion of the work under this program has been far larger than even they anticipated, and their financial contribution in terms of volunteer hours has been quite tremendous and has allowed this program to succeed in the way it has.

Secondly, in terms of all kinds of other economic indicators, we've seen a huge increase in the tourism sector and jobs and wealth generated. This came through a survey that the Ontario Federation of Snowmobile Clubs did itself. They looked at a number of establishments at the end of last year's season and reported back to us that snowmobile sales were up by an average of 44% over the previous year in those industries that were either selling snowmobile goods or gas etc; 60% of those establishments reported an increase of about 42%; and the people they were hiring, some of the hospitality establishments, including those dealing with accommodation, food and beverages, reported a 52% increase in sales and about a 47% increase in staff in many of those establishments. We found the same thing in both gas bars and service stations: anywhere from a 55% increase in sales and about a 17% increase in terms of personnel.

So we have clearly seen a spinoff benefit across northern Ontario in the hospitality and sales and tourism sector that we didn't think was going to be possible, certainly not in the numbers we have seen. That's been very important and I think demonstrates clearly that the program is working and is going to continue to be successful.

On the summer tourism side, again our commitment is in a couple of areas. By far the greatest investment is on the capital side, but we also have spent money dealing with the work that has to be done up front to even get to a request for capital programs. We also, having put the capital in place in terms of waterfronts, want to make sure that communities and regions can then market what they have to offer both in the States and internationally.

What we have done, particularly on the capital and the promotional support side, in the time that I have been, is to provide about \$21 million to 124 communities for waterfront development projects. Again, there is a local share which has increased and added to the investment that has been made in the public sector, and we've spent about half a million dollars through the Northern Ontario Heritage Fund Corp to provide for promotional material

and to allow regions and communities to go to the shows they need to go to support their waterfront activity and promote it.

I think there is a lot more potential in this area in particular, because some of the capital projects are only now coming on stream, and some of the communities, for example those along the north shore, have just begun to coordinate themselves in terms of forming an organization that will go out and actively market what they have to offer. I'm feeling quite happy about the investment we've made because again I think that like Sno-TRAC, it will come back to this government in leaps and bounds and certainly come back to those communities in terms of people who will be hired and the wealth generated.

ONTC has a particular mandate, which has been to deliver very much economic and transportation and telecommunications services throughout northern Ontario. There have been difficult times at ONTC because they have a fixed-price contract with this ministry and that fixed-price contract has also been part and parcel of some of the expenditure cuts that we have had to deal with. So we have had to work with ONTC to identify those areas of service that we felt were not vitally important to the organization that perhaps we could consider reducing in funding in order to meet some of our targets.

However, having said that, I'm pleased with the work that the commission is doing now because, as a consequence of having to do that, the commission and the chair are very actively trying to look at what is the role and mandate of this organization in northern Ontario. At every board meeting where they are travelling outside of North Bay, they meet with community representatives, representatives from the chamber of commerce, labour, ONTC employees etc the night before so that they can go through the role and the mandate of the organization and what northerners think ONTC should be providing as a service as well.

We have been working with them to look at what should be the new vision for the organization in light of the fiscal constraints and in light of the fact that the fiscal constraints will probably be upon us for the next number of years, so we won't have large amounts of dollars to add or have expanding services. We have to be really clear about the services we are providing, what they should be and how we can deliver them in an effective way.

The commission has undertaken on its own what I think is an important initiative along the James Bay coast. This is to deal particularly with the native communities along the James Bay coast and with Moosonee. Traditionally, the commission, Ontario heritage and the former Hudson's Bay Co did provide some funds for tourism activities and tourist projects—"attractions" is a better word—in Moosonee and Moose Factory. However, over the course of time that funding has not kept to the levels it should, so we are looking now, in conjunction with those communities—and a committee has been established with community representation—at how we can much better deliver tourism and tourism initiatives in that particular part of northern Ontario.

We really want to ensure that there are economic opportunities for aboriginal people in those communities, and Matt and other board members, along with representatives from the communities, are working through that vision now and hope they will come back to the ministry in the next number of months to see how we can be helpful and what we can do.

Finally, with respect to NOTOA, we do provide funding for NOTOA to support the ongoing operation. We did that because we thought it was an important voice that should be heard in northern Ontario with respect to outlining and describing concerns, programs that we could deliver etc with respect to tourism. We will continue to look for the ways and means, again within a reduced budget, to support that operation in the way we have in the past.

1510

Mr Miclash: Mr Chair, if I could recall Mr Stepinac.

The Chair: Mr Stepinac, would you please return. Welcome back. You've been suitably introduced for Hansard. Proceed, Mr Miclash.

Mr Miclash: Sir, the letter in question that I received dated May 25, 1993, how would it come to you? Where would it come from and who did it come from before you reviewed it?

Mr Stepinac: Mr Miclash, I wonder if I could answer you this way and then you can decide how to proceed: In general, persons in the ministry from various divisions or various branches in the ministry will contact me to ask me to review correspondence. That could be for strictly a dry legal reason relating to a statutory provision, for example. It could be for a freedom of information and protection of privacy issue, for example. It could be for factual accuracy or corporate memory—the legal branch has been involved with something over time. It's within our normal job description, if you like, to be reviewing correspondence or participating as correspondence is drafted.

That is what happened in this case. Depending on where you want to go with that, I guess, I'm not comfortable getting into the specifics of any legal advice that I provided at the time for the reasons I alluded to earlier.

Mr Miclash: How often would correspondence such as this come for your review? How many of these would you go through in, say, a year? They've indicated in answer to my earlier question that there are approximately 3,000 pieces of correspondence that go out from the unit on an annual basis. How many of those 3,000 would you see, or that counsel would review, roughly?

Mr Stepinac: I have difficulty even estimating the number. There are a couple of things you should know. The legal branch in Northern Development and Mines has three lawyers and the lawyers may well work on files with their own client groups and review matters that I, as the legal director, wouldn't have knowledge of because there was no need for me to know how they were dealing with their particular client groups. The other reason is, I don't know how I could give you an accurate answer. I can tell you it's frequent, it's normal. Having said that, I can't quantify it in terms of numbers, I'm sorry.

Mr Miclash: Going back to the letter in question, it was referred to you. Was it that they wanted your legal advice as to the privacy concerns, whether it contained slanderous information, or libel concerns—the letter that I am referring to.

Mr Stepinac: I'm afraid, Mr Miclash, I'm not really comfortable discussing that with you for the reasons that I said. I'm just not prepared to get into issues of specific advice that I provided to the people within the ministry.

Mr Elston: You have three people who work with you, or you are one of three?

Mr Stepinac: I am one of three.

Mr Elston: What area of the department do you cover with respect to review of letters?

Mr Stepinac: It's not broken down in terms of divisions or branches.

Mr Elston: I thought you'd said earlier that the lawyers would consider letters coming from their various areas of concern and, as a result, you wouldn't necessarily see them all.

Mr Stepinac: That's right, I wouldn't necessarily see them all.

Mr Elston: So how do you determine who sees what letter?

Mr Stepinac: It would be a matter of history. It would be a matter of who's been working with a particular client group, if someone, for example, has been working with a particular project in the Northern Development division or a particular issue in it.

Mr Elston: So who does the work for the mining section of your ministry?

Mr Stepinac: Well, because it's such a small ministry and such a small branch—my colleague may have knowledge of this. In any event, the work isn't broken down discretely. I think it's fair to say that—

Mr Elston: Who's doing the work?

The Chair: Mr Elston, in fairness—

Mr Elston: I wanted to ask several questions and I don't have a lot of time. That's the problem with this—

The Chair: I thought both of you were doing extremely well. He's trying to answer the question—

Mr Elston: And I'm trying to speed it up so we can get to where we're going here. I want to know, then, who was working in the section that dealt with mining tax issues.

Mr Stepinac: Oh.

Mr Elston: Oh. Different question.

Mr Stepinac: Yes. I did work in connection with mining tax issues in the sense of the historical development of the legislation in the late, I guess, 1980s, and there's another lawyer in the division who does a lot of work with the mines and minerals division who also would have done work in connection with mining tax matters.

Mr Elston: If you had not seen a letter that was going out on mining tax issues, ie, you weren't working with that particular issue, how would it be earmarked in your ministry so that it would come to your attention?

Mr Stepinac: I guess if somebody wanted me to look at a letter, they would ask me to look at a letter.

Mr Elston: Does that happen frequently?

Mr Stepinac: It happens frequently that people ask me to either review correspondence or discuss matters with them, yes.

Mr Elston: And in those circumstances, is it usual that there is an issue of privacy of information involved or is it unusual to have privacy of information issues involved?

Mr Stepinac: It's not unusual but it's—I'm not sure how to answer you. It's one of the areas that I think a lawyer would normally be expected to consider. I think when a client comes in and says, "This is what the issue is that we're talking about, we'd like your input—"

Mr Elston: As the director of legal, did you develop a series of guidelines to consider with respect to the release of certain private information?

Mr Stepinac: Because it was such a small branch, the director of legal was also required to do a lot of legal work, as any normal lawyer would do. But in any event, no, I did not formulate specific guidelines to be followed by lawyers in the branch. However, all the lawyers in the branch regularly receive updates from the freedom of information branch at Management Board and minutes of meetings from the Ministry of the Attorney General information and privacy group, as well as being frequently asked, just in the course of a normal working day, by client groups about FOI issues.

Mr Elston: Had you considered issuing guidelines with respect to personal information that could be sent out by way of letter by your other colleagues? You can't be in every office all the time.

Mr Stepinac: I had not considered issuing such guidelines to the lawyers.

Mr Elston: Is that because you basically see all of the letters that contain items that might be red flags, so to speak, with respect to secrecy.

Mr Stepinac: No, that wasn't why, Mr Elston. I think I was very comfortable that the lawyers in the legal branch operated in a sound manner and in a thorough manner so as to result in a good canvass of any legal issues that may arise in correspondence they were dealing with. I didn't see any need to flag this area, as opposed to correct reference to statutes, for example, or any other particular area.

Mr Elston: What are the general circumstances that alert or bring to your attention letters concerning privacy? Can you tell us how many of those letters you may have viewed for a legal opinion over the course of the past, let's say, eight months?

Mr Stepinac: As I said earlier, whenever anyone asks me to either participate in the formulation of some work, including reviewing correspondence, that would be a normal area I certainly would consider as part of the input that person wanted.

Mr Elston: How many times would you have dealt with the privacy issues over the series of the last eight months?

Mr Stepinac: Over the last eight months, of course, it's been a relatively concentrated experience because of what's happened recently, but I think—

Mr Elston: That's one occasion only, though.

Mr Stepinac: Sure, but I think, to answer your question, I would always have to be attuned to the issue of FOI and it would be common for me to either identify areas that might involve personal information or confidential commercial information, for example, or other areas that under the FOI act should be noted.

Mr Elston: Although you have not written the guidelines, you must have in your own mind a test that you would work your way through, at least a mental template if not a written template, for judgement or benchmarking your decision. What does your template look like with respect to the decisions that you would make in terms of releasing information about persons of a private nature?

Mr Stepinac: That template, I think, would be a reflection of the statute and I'm not going to suggest to you that I know the act by heart. I can tell you that was one of the relatively few statutes I kept a consolidated copy of literally by my desk because the FOI legislation itself, first of all, is fairly complex and deserves very careful thought to work through the legislation and, secondly, although it's been around for several years, it's relatively new legislation in Ontario and there are many sections of it that have not been interpreted by the courts or, for that matter, by the privacy commissioner. My own practice, anyway, is to be careful and methodical and not rely on a mental template. As I said, the red, consolidated copy beside my desk is well-thumbed.

1520

Mr Elston: So you as the director have felt that although you wouldn't rely on a mental template, you as the director of legal services never thought to provide the people under your charge with any kind of a written template or guideline with respect to the application of this act because you have more sort of faith in their judgement than you do in your own?

Mr Stepinac: No, I wouldn't say that at all. There is a written template. It's the statute itself. I've delivered seminars to ministry staff on the freedom of information act and I've always cautioned them that it's impossible to do a discreet, neat, short written summary of that legislation. You just can't do it. There are sections and pages of sections that have to be read carefully. They can't be summarized and they can't be simply put on a page or two and put forward as guidelines.

I think most lawyers, certainly government lawyers, are sensitive to the fact that while the federal government has two different acts, and we have the one that combines both the elements of protection of privacy and disclosure of public records, this act is designed in such a way that it covers a lot of ground and you just have to go at the consideration of FOI issues slowly.

Mr Elston: In respect to mining business, property holdings and issues of future plans for property holdings are in fact highly confidential and very important financial aspects of anybody's holding; is that not true? In

most cases, I don't want you to broadcast publicly that I hold lot 7, concession 3 of—I don't know—Iron Ore township.

Mr Stepinac: Sure. I understand your point but, actually, that's not so. There's a tremendous amount of public information available in—

Mr Elston: In the public registry.

Mr Stepinac: No, I'm talking about specific mining information that's available in mining recorders' offices. There would be thousands of claims on record in each of the recorders' offices which are available to the public, and they disclose the ownership, the extent of the size, the work that's been done.

Mr Elston: So the location of the property is okay, perhaps the fact that they have done core samples, because there's a public record of core samples taken from places, that type of information that's already registered in one of the public registries or recorders' offices is available for general distribution. That's the way you look at it?

Mr Stepinac: That's right. There is a great deal of mining information that's available in those recorders' offices.

Mr Elston: But if I were, to your knowledge, interested in marketing or not marketing or developing or not developing, wouldn't you think that was some kind of confidential information as to my intention as to what I would be doing with my property?

Mr Stepinac: Again, it depends on the circumstances. Some people actively seek investors on properties that they feel are promising.

Mr Elston: Through your ministry?

Mr Stepinac: No, but they would talk to investors, I guess, and make their intentions know.

Mr Elston: The people would choose or consent to the distribution of that information, in fact. They wouldn't ask the ministry to distribute information about personal intentions with regard to their land holdings.

Mr Stepinac: They might well share their personal intentions with many of the mines and minerals staff, for example. Mining recorders and resident geologists I'm sure have a great deal of that type of information with respect to the intentions of holders of claims.

Mr Elston: Would you advise them, as a matter of course, that they then should proceed to make available that information to the public?

Mr Stepinac: No. It's not a matter of course here. Again, it depends on a specific fact situation.

Mr Elston: So if a person didn't give you instructions to release or consent to release of that type of information, it shouldn't be given, should it?

Mr Stepinac: Without consent, as a matter of fact, if there's personal information or confidential commercial information, the act specifically says that it is not to be disclosed. There must be consent. That's right.

Mr Elston: So if you had a template that people could use that was written down to judge whether or not that type of information with respect to intentions of dealing with the property was to be released, you would

probably write an instruction that said, "Don't tell anybody what an intended use was going to be," wouldn't you?

Mr Stepinac: No. I wouldn't phrase it that way. I would say that the consent of the individual would be required for the disclosure of that type of confidential commercial information.

Mr Elston: Why in the particular case was the consent not sought?

Mr Stepinac: Again, I anticipated where you're going on this. I'm reluctant, Mr Elston, to get into the specifics of the legal advice I gave. All I can tell you is that I gave the advice for reasons that I felt professionally comfortable with.

Mr Elston: What changes are you making? Are you going to write guidelines for your people? Are you going to instruct them differently in the future, or how are you going to prevent this type of problem from surfacing again?

Mr Stepinac: As we have heard, the deputy minister will be putting a plan in place to implement the recommendation of the commissioner. I know the legal branch will cooperate fully with that and I would expect that we would get advice from the freedom of information branch, for example, as to what would be most effective.

Mr Elston: How many times have you run afoul of the Freedom of Information and Protection of Privacy Act in the ministry?

The Chair: I don't know if that's—

Mr Elston: Okay. How many times have you consulted with the privacy commissioner or freedom of information commissioner in regard to errors or revamping your systems?

Mr Stepinac: First of all, I'm not aware of any practice that the commission has or offers for advance rulings or advice of that sort. Having said that, I haven't sought such advice in the past because the circumstances haven't suggested I should. I'm certainly willing to seek that type of advice now. All I can say is that I'm not sure it's available. I know that the freedom of information branch at Management Board is very helpful. We've used them over the years as part of the programs that we have run to try to keep staff current with freedom of information issues. If the commission and the commissioner's office will provide a similar sort of a service, I know we'd be more than happy to get any advice they could offer.

Mr Elston: Have you consulted with any of the other ministries in regard to the types of systems they have that may be adaptable to the Ministry of Northern Development and Mines?

Mr Stepinac: I have not, but having said that, there are regular meetings of freedom of information coordinators and regular meetings of Ministry of the Attorney General lawyers who deal with freedom of information issues, and we have regularly attended those meetings over the years.

I guess I could respond in this way: I'm satisfied that the practice and the concern that would be afforded to freedom of information issues in our ministry would be

consistent with that in other ministries.

Mr Elston: Are you also the coordinator for your ministry?

Mr Stepinac: Yes.

Mr Elston: It's generally the case, I take it, particularly in smaller ministries, that the director of legal services is also the coordinator.

Mr Stepinac: I don't think that is so.

Mr Elston: So in the case of Northern Development and Mines, you are the person on freedom of information and protection of privacy?

Mr Stepinac: Subject to what I've said. We've got regular meetings of Ministry of the Attorney General lawyers, and others in the branch attended those meetings regularly. But I would expect any government lawyer to be—

Mr Elston: Could you provide for us copies of your seminar material that you would've presented in your ministry so that we could take a peek at some of the things you had instructed your people to consider when they were going through?

Mr Stepinac: I'll try to get that material for you. I just don't know where it is right now, but I will, Mr Elston.

The Chair: Thank you very much, Mr Stepinac.

1530

Mr Arnott: I have a question for the minister, and it's one last question on this issue of the breach of the privacy law. A couple of years ago, the Minister of Health of the day, Evelyn Gigantes, in response to a question in the Legislature revealed the name of a patient who, as I recall, had been treated for drug rehabilitation in the United States. She said at the time that it was inadvertent, really. She was under the impression, and she had been briefed apparently, that this person's name was already in the public domain. She certainly wasn't deliberately breaching the privacy laws. But when it was brought to her attention that in fact his name had not been in the public domain, she resigned, and the Premier accepted her resignation.

There are a lot of parallels between that situation and what's happened to you, Minister, in my opinion. You say that you sought legal advice prior to sending out that letter to Mr Miclash. In that sense, it would appear, if we accept that, that your breach of the privacy law was unintentional, that you didn't mean to do it. To the best of your information, you were not breaching the privacy law, so you went ahead and did it.

But parliamentary tradition, personal honour and accountability of the minister, all of those concepts came to play on Evelyn Gigantes's mind. She resigned. The Premier accepted it. Why is your case different than Evelyn Gigantes's?

Hon Ms Martel: Mr Arnott, I believe that you're asking me to respond to the issue which I think has been very fully and very carefully dealt with by the Privacy Commissioner. I think what's important for myself and for the ministry at this point is that there is a recommendation that has been placed before us by that commission,

and we will undertake to the best of our ability to make sure that we comply with that, and we will let the commissioner know, within a six-month time period, what actions we have undertaken in order to do so. So I really think that what you are asking me has to do very much with a case and an issue that I think has been dealt with by a third party.

Mr Turnbull: Minister, you can only hide for so long. The serious questions that are being raised today are questions which relate to your credibility and your ability to carry out your duty as minister of the crown responsible for northern affairs. I'm aware of the fact that probably of all of the ministers in the cabinet, you get just about the least questions, and that came around about since you took a lie detector test to prove that you were lying. I understand the arguments that you have made in all of these cases. We followed very carefully your defence of your position as a minister. But I'm always reminded of Harry Truman with his sign on his desk, "The Buck Stops Here."

The people of northern Ontario have legitimate concerns, and they have had under all governments, but they have required that a minister be responsible to look after their affairs. Given the seriousness of the question that those people who oppose you or your government have punitive treatment measured out to them, you must surely be aware that this committee is concerned with how your ministry can effectively operate under these circumstances. Do you not think that it would be in the best interests of the people that you are charged with representing, namely the people of northern Ontario, that you step aside and let somebody who has credibility take over this important ministry?

Hon Ms Martel: I think what is in the best interests right now of everyone concerned is to be assured, which I have tried to do here today and publicly, that both the deputy and I will undertake to be very clear that we deal with the recommendation that has been put to us by the Privacy Commissioner.

We specifically said three weeks ago, and I have repeated today, that we will undertake all of the efforts that are necessary, whatever they are, to be sure that all of the staff are sensitized to the disclosure of personal information in a way that conforms with the act, as the commission's office has requested. I think that's what's most important, and we will do that, and we will advise the commission, before the six-month period is up, as to how we have done that.

I also think that, in terms of dealing with and being responsible for the affairs of people of northern Ontario, I did spend some time this morning and have tried in questions that have been raised to outline very specifically to the members those programs and those policy areas and those issues that we have undertaken as a ministry and as ministry staff to deal with some of the very difficult economic issues that have faced people in the special part of the province in which I live.

I think our work on the capital side, our work in dealing with small and medium-size business, our work in dealing with communities in crisis and our work in trying to deal with the exploration community over the

last number of months has demonstrated that we are trying to deal responsibly with those issues and that over the next number of months some of the projects that continue with those areas of concern and others will come to further fruition and, we hope, further benefits for the people whom we are trying to represent.

Mr Turnbull: With all due respect, Minister, you have been found guilty of having broken the letter of the law and also the Premier's guidelines. We know that the concerns of people in northern Ontario are very serious matters. I fail to see how you can believe that you can discharge your duties credibly when those people who have opinions which are at variance with you are attacked. There's a very serious erosion of the democratic process when a minister of the crown is prepared to disseminate private information about individuals in order to get the upper hand. That is an absolute crisis within your government and specifically your ministry, and you are at the centre of it.

Minister, we're talking about estimates today. We are trying to find out about actions within the ministry. You have made this statement over and over again as to your position, that you don't want to talk about it. I hardly see how a ministry which is charged with a task, which is obviously terrifying those people who disagree with you, how that ministry can effectively discharge its duty as long as you take this position. We have had absolute stonewalling today on all of these questions, questions which do not relate to your guilt; that has been established.

What we are talking about now is the operation of the ministry, and that is at the heart of what the estimates process is all about. Surely, we should be getting some straight answers, not some bafflelegab about the fact that you've got some bureaucratic committee to send out some new guidelines.

Hon Ms Martel: As I said earlier, Mr Turnbull, all of the ministry, myself and my staff included, deal with those of our clients on the mines side and in northern Ontario in as fair and as reasonable a manner as possible, bearing in mind all of the time that we must administer all of the work we do in compliance with all of the acts that each ministry and we as MPPs are to live by. All of the staff, myself and my personal staff included, are very cognizant of that and operate in the same way.

1540

I think what the people of northern Ontario are concerned with, as I mentioned earlier in response to Mr Micalash, is whether or not they'll have a job in the future and what their economic security is. We have certainly tried over the past four years, and I have tried here today, to highlight those actions, those programs, those initiatives that we have undertaken to respond to that concern, which we believe has been very prevalent, especially during these difficult economic times.

There are a number of other projects, activities and initiatives which we continue to work on now with our clients in both of those divisions, and the people who are here today with me, and others on the northern development side and mines who are not, will continue to try and do that over the next number of months so that we can

ensure that some more benefits do come to the people we try to represent as a ministry.

Mr Turnbull: Well, Minister, that famous document that you won the last election with alludes to—page 9 of *An Agenda for People*—the title is "Building a Stronger Northern Ontario." It talks about improvements to highways. In fact, let me read:

"The north continues to be a source of huge profits and tax revenues for resource companies and provincial coffers. Economic diversification for single-industry towns, highways, health care, infrastructure have all been sacrificed by the Liberals' approach of bleeding the north dry.

"We propose a northern fund of \$400 million over two years—returning money that's made in the north to the north—to promote economic development, job protection and job creation, and improved services throughout the north. The fund would be supported at the rate of \$200 million a year." To the best of my knowledge, you haven't delivered on these things.

"Four-Laning the Trans-Canada: Long stretches of the Trans-Canada through the north are nothing less than a disgrace: two lanes, busy with trucks, suffering from poor maintenance, and unsafe.

"Ontario must undertake negotiations now with Ottawa to proceed with the four-laning of the Trans-Canada across the north to improve this vital transportation corridor. The cost to the taxpayer would depend on the federal government's willingness to share its responsibility for this major east-west road link.

"New Democrats would make"—and I emphasize "New Democrats"—"\$100 million a year available for this important project."

Now, to the best of my knowledge, you haven't delivered on these promises. Anybody who's had the temerity to disagree with your government, you have slandered them or you have disseminated private information.

Mr Gilles Bisson (Cochrane South): That's your opinion.

The Chair: Mr Turnbull, that will be the third time that I've ruled on your commentary. I have asked you to rephrase that out of respect for this parliamentary institution. Please be careful with your phrasing. That's my third cautionary note to you. Mr Bisson, you're not helpful to this process one bit. Please proceed, Mr Turnbull.

Mr Turnbull: The question that I have posed to you is: In light of your conduct, is it not reasonable that we have at least some questions answered today as to the conduct of your ministry with respect to these issues? I mean, whether you resign or not ultimately is going to be between you and the Premier. You know quite clearly that it is the opinion of the opposition parties and in fact, I believe, John Rodriguez, your former federal colleague, that you should resign.

But the questions I am raising today are specifically with respect to the activities of the organization of your ministry, and we're not getting any answers. You just repeat over and over again, like some mantra, that you're

not going to talk about it. Why bother having estimates if you're not prepared to talk about these important aspects about your administration of this ministry?

Hon Ms Martel: I'd be more than pleased to outline the activities of our ministry and what we've been doing to deal with building a stronger northern Ontario. Indeed, I thought in the opening remarks that I gave to members of this committee I fairly clearly outlined the amount of work that we were doing in respect to both of our client groups: those who live in northern Ontario and those who work in mining communities across the province.

I spent some time dealing with Mr Martin and Mr Waters, talking about the initiatives that we have put in place in conjunction with the Ministry of Natural Resources on the forestry side, initiatives that we have put in place very specifically on the mines side through our own ministry and initiatives and the work that we have done through the Northern Ontario Heritage Fund Corp to sustain and create new employment in the province of Ontario. I talked in very specific terms about the capital projects that we have funded during the course of this government through the anti-recession fund, through Jobs Ontario Capital, through Jobs Ontario Community Action, through the base budget of this ministry.

I also very clearly pointed out our role in ensuring that labour-sponsored venture capital funds could be established and that legislation was passed in order to allow that to happen. Finally, I think I talked very clearly about our support for the employee ownership legislation, which in the case of some of the communities in crises that we have dealt with has been particularly important to ensure the long-term economic survival and viability of those communities.

So I do believe that both in the opening remarks that I made here today and in response to questions from some of my colleagues I have tried very clearly to outline to people here all of those various initiatives that we have been involved with since I have become minister to ensure that the people that live in our special part of the province in particular are in a more viable, stronger and a better economic position than they were before, despite the serious economic times that we have been involved in as a province.

Mr Turnbull: Well, you've managed to totally ignore the thrust of my question. Do you not think that your credibility is in question?

Hon Ms Martel: I think that what's most important at this point with respect to the issues before us is that this ministry and the minister give a clear signal to the public and to this committee, as I have tried to do, that we will deal with the single recommendation that the third party, in terms of the commission, has made to us. After that, what I also intend to do is to try to work with the people who are here, and those who are not, in the ministry and all of our various client groups to deal with those initiatives and those projects which they have identified as being very important to them, both in terms of job creation and economic development.

Mr Turnbull: Let me ask you just simply: Will you admit that you made a mistake?

Hon Ms Martel: As I said earlier, Mr Turnbull, I think that where we are now and what's most important is for us to be very clear of the action we are going to take from here on in with respect to privacy matters. I have tried at many points during the discussion in this committee and publicly over the last number of weeks to be very clear about what we will do in terms of responding to that issue.

Ms Murdock: Given that this is the estimates committee and we are talking about initiatives and programs that the ministry institutes or works upon to help the north, I want to continue with the earlier question from my colleague Dan Waters about the snowmobile trail concept. Although I think you explained that part very clearly, I don't see anywhere in here where SSTOP is. I know that the ministry had something to do with that. I'd like you, if you would, to explain how much money is put into it and where I would find it in the book.

Hon Ms Martel: I'm not sure where it would appear in the estimates or under which vote, so I'll have to ask some other people who are here about that. I believe, though, that the investment by us was not large on the capital side. I believe it was an investment of about \$150,000 to allow for the purchase of equipment, beepers, emergency equipment etc for those people who would be acting as trail wardens under SSTOP.

The program itself, in terms of the guidelines and the activity that those people who have become full-fledged trail wardens must undertake, was developed between the regional police force in Sudbury, the OPP and the Ministry of the Solicitor General. So the course the participants actually have to go through is a course that has been established by people outside of our ministry.

1550

Our involvement was very much on the capital side, to make sure that the equipment they needed to do their jobs properly when monitoring on the trails would be in place. We have found, though, that the program has been extremely successful. There were no deaths caused by snowmobile accidents in the Sudbury area last year, where, in the year before, I believe there were between 12 and 14 fatalities. We think the program is working because we are allowing resources to be freed up so that the OPP continues to be on the highways etc, but trail wardens who have an active interest in snowmobiling and an active knowledge of it can deal with their counterparts to ensure that the sport is a safe one and a recreational one.

It is my understanding that this issue was raised as well in Sudbury a couple of weeks ago because there was a conference of police associations that was held, and I believe the minister was in attendance and was asked about expansion of the program to other parts of the province. I hope that the ministry is considering expansion of the program because we have found that it has been singularly important in dealing with fatalities on trails and on open water and on highways in our community and has resulted in no deaths from those kinds of things last year.

Ms Murdock: Just a continuation, on pages 32 and 34, this is in regard to health. People don't normally

think Northern Development and Mines has anything to do with health, but I see under the functions section it says that there are bursaries for students, then under another bullet it says "Health/social organizations for initiatives which improve access and enhance the quality of life in northern Ontario," and then "Providing financial assistance to non-profit groups"—that's on 32. Then on 34, "Social/medical bursaries—provides funds to the ministries of Health and Community and Social Services for students in social and health care disciplines."

Am I wrong in understanding that the residency program is funded through the Ministry of Northern Development?

Hon Ms Martel: The residency program that exists, both with institutions in Sudbury and in Thunder Bay at Lakehead University, the capital costs associated with building the facilities in both Sudbury and in Thunder Bay were assumed by the Northern Ontario Heritage Fund Corp. So there was an investment of between \$4.5 million and \$5 million in the infrastructure in both of those communities. However, the delivery of the program in terms of programming, monitoring etc is really carried on by the Ministry of Health, so our role in that has been to develop the capital and the facility itself.

Ms Murdock: Okay. So that money for that particular program would be under the northern Ontario heritage line?

Hon Ms Martel: Yes.

Ms Murdock: Where would that be?

Hon Ms Martel: It's an allocation that is complete, so it would appear in one of the allocations of \$200 million that has been spent to date by the heritage fund to deliver the program. It does not appear as a line item even in our own work this fiscal year because the project has been completed and the books have been closed on those two projects.

Ms Murdock: I know there are 24 students in each area—24 in Thunder Bay, 24 in Sudbury—I mean last year's results. I'm thinking of last year's. I don't know what this year's is, but last year's that 60% of those who finished that residency program stayed in the north?

Hon Ms Martel: The number of people who are staying after their two-year program is quite high. Certainly the initiative and the initial recommendation for funding, if I understand it, was done by the former government and the former government deserves credit for that because unless we are training students in northern Ontario, they will not understand how to deliver, I think, medical care in an area that has a large geography and a very harsh climate from time to time and do a practice that is much more general in terms of ministering to health care needs than people might do in a very specialized field somewhere in southern Ontario. There has been a very high retention rate of the students who have come through the program, and I certainly hope that in both communities that will remain.

I should make two points, though. Because of the success of that program and because of the belief that this government also had that it would be better to train people in the north if you could in order that they would

stay in the north, the ministry has participated in funding for two other programs which I think are important.

The first is a program at Canadore College which deals with respiratory therapy and is the only program available in northern Ontario at this time. It's a three-year program, and after the three-year programming, and in fact during the technical phases of that program, students deal with hospitals in North Bay and in Sudbury so that they receive their practical training in northern Ontario.

We funded, by and large, all of the capital costs that were associated with establishing the lab at Canadore in order to allow that program to occur. It, again, has been very successful in having people retained and stay here.

Secondly, we also provided funds to Laurentian University, because they are the proponent, for the baccalaureate program in midwifery, and again I was particularly pleased that the Sudbury-Ryerson-McMaster proposal was chosen as the model to use for training for midwives because I believe that it will allow midwives to stay in the north and practise in the north.

You would know that Laurentian has been very instrumental in its distance education and this year will be providing the English component of that program by distance education from Thunder Bay. The French component remains at Laurentian. Again, I think that will allow people to stay in their communities to receive both the educational and the practical training they need and hopefully then to continue on in those communities to service the population.

One other small item: At the Sudbury cancer treatment centre we also train radiation therapists. This ministry provided capital funds, I believe, in the order of about \$50,000 in the last number of months to the cancer treatment centre to build a proper classroom with the proper equipment and facilities in it so that their students could continue to receive the best possible training in Sudbury. They do have to come to Toronto for an initial part of their training when they first begin the program, but by and large the 18 months of the two-year program are done in Sudbury on site. Our first set of graduates come through this year and it is my hope that of the six who are there, all six will remain in the community.

We have, on the capital side more than anything else, provided funds to allow for recruitment and retention activities in a number of our communities.

Ms Murdock: Lastly, does speech pathology come in there too?

Hon Ms Martel: Yes, it does.

Ms Murdock: Is that out of the northern Ontario heritage fund as well?

Hon Ms Martel: It is funded through the Ministry of Education and Training. It is a memorandum of understanding, as I understand it, between Laurentian University and the Ottawa university. Our share again would have been on the capital side because that operation is located in a facility that Northern Ontario Heritage Fund Corp has funded. So the capital costs for the facility in which that program is located were indeed dealt with by NOHFC.

Mr Bisson: I apologize for being late this morning.

Fortunately for my community, I was home announcing a \$60-million addition to a waferboard plant under Malette Waferboard in the city of Timmins. I couldn't be here this morning although I would have liked to, but being the project that it is, it's obviously something we had to be back for.

That particular project, as you know, Madam Minister, is a project that is a result of the sustainable forestry initiative that this government put forward under the Honourable Howard Hampton. To date now we've had some \$550 million in private sector investment, five brand-new plants in northern Ontario, 1,250 jobs created in the north—the first mills in northern Ontario to be built in 15 years.

One of the things I would say to the members of the committee is that I tried, I guess about a week ago, to contact the major media centres here in Toronto to go to Timmins in order to be able to report on that news, because it's a story of two things. One thing is that it's not only new jobs for Ontario, it's not only new opportunities for Ontario, it's not only new growth for Ontario in jobs, but it is also the story of an individual by the name of Gaston Malette who started a company in 1951, basically out of nothing, and built it into a multimillion-dollar industry, and M. Malette was quite proud of that particular expansion that he did today, but also that M. Malette will be leaving Malette Corp shortly in order to retire after many, many years of service for that company, and I thought it would have been interesting if the media would have picked up that story from a human interest side and also an economic side.

1600

Unfortunately, I was not able to get any of the Toronto media to cover that. They were somewhat preoccupied with other issues. I wish we could have got that out. I think that was quite an interesting story today and one that needs to be talked about.

On sustainable forestry development, Madam Minister, which is predominantly an issue of MNR but also your ministry has had some work with, I'm wondering if you could bring up to date some of the members of this committee and myself. I know that we've announced five mills in northern Ontario to date. You mentioned some of the figures, some \$550 million worth of investment, but the ministry is also partnering and being able to work along with them and I'm wondering if you can explain what the role of the ministry has been in regard to that particular initiative, and what we can expect in regard to some more good-news announcements in the north, more hundreds of millions of dollars of investment, more new jobs; quite the contrary of what Mr Turnbull had talked about a little while ago.

Hon Ms Martel: Thank you, Mr Bisson. Our role has been very much to assist MNR in an evaluation of the companies that have put in private sector proposals for the hardwood project, both in northeastern and northwestern Ontario.

Members would understand very clearly that in terms of access to wood and in terms of permitting for wood, that is certainly outside of the jurisdiction of our ministry, and MNR has continued to be the lead in determining

what kind of allocation of birch or poplar would be required; where are the reserves; are they in a particular forest management area now; are they on crown land; are they on private land? They have been very much responsible in determining if the wood allocation has been available for the particular interests that have come forward and which management units, which private land and which crown land, it will come from.

For our purposes, though, our involvement has really been on the side of assisting in the financial analysis of the companies and the proponents who have come forward. You will understand that our staff, given the work they do in communities across northern Ontario, particularly in those communities where some of the proponents live, we have a very good working relationship with a majority of them in an understanding of what their future needs might be and, in many cases, what their future plans would be because they have shared that with us. So our work has been one of providing advice and input with respect to the commitment of that company to the community; on the one hand what their past practices have been, how their operation is proceeding and whether or not, given their track record, they would be in a good position to establish a mill or expand a mill, and be in a position to get the financial resources to do that, so it has been on that side of the equation that we have assisted in the hardwoods project.

Mr Bisson: I'd be remiss if I didn't get an opportunity to say that I bring greetings from a number of people from the city of Timmins, Mayor Power and Mr Malette and others, who thank you for the work that you've done since about 1990 in regard to a number of these projects.

I'm wondering though, more specifically to our ministry, in regard to this sustainable forestry initiative that we have put in place, we had done, as you know, within the Ministry of Northern Development and Mines, an initiative called the northern marketplace survey, I guess dating back about three years ago—I might be corrected on the actual dates.

I'm wondering, in light of all of these announcements—some five brand-new mills in northern Ontario, some \$550 million worth of private sector investment, some 1,200 new jobs—how we're able to tie that particular initiative into that so that businesses in northern Ontario that could supply technical information as far as engineering consultants, draftspeople etc. as well as equipment and manufacturing of equipment needed for these mills—if there's some way that the ministry might be thinking about trying to capitalize on that to a certain extent.

It was a comment that was brought to me today from one particular investor who had invested in that particular project that I was at this morning, saying, "Is there a way that we'd be able to tie that together in order to be able to promote that a little bit more?"

Hon Ms Martel: If I might, our difficulty will be in finding the funds to continue with the project. When we announced the northern marketplace program three years ago, and I did that at the Cambrian Foundation in conjunction with Cambrian College, we specifically stated that it would be a three-year pilot project, that our

funding would go into the initial startup to buy not only the databases and the computer equipment needed but also—

Mr Bisson: Can I rephrase my question just so you understand? They were well aware of what happened with the project, that it was a pilot. The question was that there were some lessons learned through that in regard to being able to match up suppliers with people who need to purchase services or goods. I guess what was being asked of me this morning on the part of one individual was, is there a way that we can capitalize in getting some of these organizations—the Jaeger mill, the one in Wawa, the Timmins mill, the one in Fort Frances—to not necessarily centralize their purchasing—you can never do that—but to try to find a way to be able to get them to list what their needs are so that businesses in northern Ontario who could supply services and goods are able to tap into that and even more so maximize the opportunities for northern businesses?

Hon Ms Martel: We certainly had hoped, even with the termination of marketplace, that both Confederation College in Thunder Bay and Cambrian College in Sudbury's own operations would continue to sustain the program, because they were in place already and because they had all the listing of services and potential input replacement possibilities already. I am not clear, I must admit, as to whether or not those two institutions have made a firm decision as to whether or not they can continue to carry that program on for the private sector in their own communities.

We had hoped during the course of the pilot project that chambers of commerce and businesses right across northern Ontario would understand the value of the program and would perhaps on a fee-for-service basis contribute to its ongoing maintenance, recognizing the opportunities that would accrue both to them and to fellow business colleagues across northern Ontario.

Where we are right now in terms of government is that we are in the process of establishing an on-line service for the tendering process that will be applicable for government contracts and government supplies and services. That's being done in conjunction with the Management Board secretariat. I couldn't tell you at this point whether or not we're going to be in a position to use that technology to deal with large private-sector contracts as well. I guess it's something that I have to follow up with Management Board to see where they are with that project.

Mr Bisson: I'd encourage you to be able to do so because that was really expressed. There is only about a minute left. I had another series of questions I wanted to get in regard to mining, but just on that particular thing, all I can say is that, of the investors that I met this morning in Timmins, there must have been about 300 people there, about 150, 160 investors, who invested within that company from all over, I would say, North America. There were people in from the United States, from Montreal, from Toronto, different places.

Really, it was very rewarding to hear the comments on the part of all of those investors talking about how they feel quite good about investing in this project in northern

Ontario, about how Ontario, northern Ontario in particular, was a good place to do business, and about how this government has really helped to be able to make these opportunities for them, and I wanted to pass back some of the comments to you because I think there was a strong recognition within that group of people that that particular initiative, on top of everything else our ministry has been working on, is starting to be really understood and appreciated for the opportunities that they are, and I bring back those greetings to you on the behalf of some 150 investors that were there this morning.

Hon Ms Martel: Thank you.

1610

Mr Michlash: Before I move on, I just must at this point put on the record my extreme disappointment with the minister for not responding to, as I indicated earlier, correspondence that came to me regarding a constituent. I must assure the minister that this issue is not going to go away, and I must also let her know that a good number of people throughout the north have expressed concern to me that not only this issue but issues of the past have, as the member indicated earlier, had an impeding effect on your ability to represent the folks of the north. Again, that's been passed on to me by a number of residents.

Minister, I want to go back to an issue here which I'm sure you're well aware was going to come up during estimates, that being the difference in gas prices. It's an issue that appears in the press across the north on a weekly basis. It's an issue that has been addressed by your Minister of Transportation, suggesting that he too should get the best bang for his dollar when it comes to gasoline.

Your Minister of Environment and Energy has said, "Yes, we must do something about it." Even your Premier has indicated, "Yes, something must be done about the difference in gas prices between northern and southern Ontario." When I go back to my riding and prices in Dryden are 61.9 cents per litre for gasoline, and finding them fairly cheaper here in southern Ontario, you can imagine the questions that brings about.

Minister, we know that the registration fees for northern Ontario have been dropped, but going back to your commitment in 1990 when you indicated that an NDP government would see the equalization of gas prices across Ontario, I'm just wondering where you are in terms of, I guess, that commitment you made in 1990, where you are on that today.

Hon Ms Martel: Indeed, it was one of the first issues that we tried to deal with in the ministry when I arrived, because we have been and continue to be concerned about gas prices in northern Ontario and we were very much interested in looking for the ways and means to equalize gas prices.

When we came to the ministry, our ministry and the Ministry of Environment did some work, funded a study to look at the Nova Scotia model, to look at other models in other jurisdictions where gas prices had been equalized, and spent about eight months in some pretty intense discussions between ourselves and the Ministry of Energy

and treasury, looking at the ways and means that we might be in a position to equalize gas prices as per what had certainly been my hope and something that I had campaigned on very actively in 1990.

After all of that work between all of those players, it became clear to us, and this was very regrettable, that there were not the ways and means for us to do that and to do what we had wanted to do, which was make sure that everyone across the province, regardless of where they lived, paid the same rate. As a consequence, treasury's response then was to deal with the vehicle registration and the dropping of that in order to minimize some of the differential and the disparity between north and south.

In our ministry, we also agreed and stated very publicly that we were prepared to work with any community or numbers of communities that might be interested in establishing a cooperative venture in order to market very clearly to members of the co-op in their own communities or regions, and in effect also act as a competitor and hopefully drive the prices down.

The member for Cochrane North worked a great deal with members of his community to try and get enough public interest, and ministry staff were in the community on a number of occasions meeting with people, starting to strategize on how we would develop perhaps a model such as they have in Thompson, Manitoba. In the end, the 100 or so people who were involved made a decision that they would not continue with the project for a number of reasons, financial included, and so it was dropped.

We also approached the Steelworkers in a number of communities to see if they would pattern a co-op model based on the model that was put in place by the Steelworkers in Thompson, Manitoba. Again, in spite of our efforts to get some interest from a number of those groups and our commitment to work with them and perhaps provide some financial assistance to get it going, we couldn't get the interest we had hoped in any of those communities.

The position we find ourselves in today is that we were not able, despite the efforts between my ministry and, at that time, the Minister of Environment, to put in place the system that I hoped we could put in place, which was one which would have equalized prices.

Mr Miclash: When you made the commitment in 1990, under what information did you make that commitment that an NDP government—and you used those words very strongly—would “equalize gas prices”? What information did you base that on?

Hon Ms Martel: I had in opposition taken a look at the model in Nova Scotia and was interested in it and interested in the regime they had established which allowed for equalization of gas prices across the province. When we came to government, I asked, and in fact we did engage the services of a consultant, to take a much fuller look at the model, because the resources I had in opposition with respect to dealing with it—financial aspects of it and the workings of it, having someone actually go and talk to the proponents of it in Nova Scotia—were fairly limited.

So we spent some time and some sums of money in order to have that done. Frankly, it was based on a much more detailed and in-depth look at the system than I had been able to do when I was in opposition that led both myself and the Minister of Energy, and a number of our cabinet colleagues who had an interest in this, to come to the conclusion, regrettably, that we were not in a position to do this.

Mr Miclash: We talk about unemployment in northern Ontario. I indicated in my opening comments that there's a great amount of concern about the difference between northern and southern Ontario in the unemployment figures. Can you provide us with the current unemployment figures in general for northern Ontario, and also the unemployment figures for those folks between the ages of 18 and 24?

Hon Ms Martel: I think we probably have only the employment levels in the mining industry with us, so we would have to undertake to get the levels across all sectors back. I don't think I have it at this point.

Mr Miclash: I find that strange, the Minister of Northern Development being an advocate for northern Ontario, that those figures would not be at hand.

Carrying on from that, I guess what I'm looking for are some of the programs that your ministry, Northern Development, has implemented to address the problems related to youth unemployment throughout the north, and related to that youth outmigration as well.

Interjection.

Mr Miclash: It was so nice here this morning.

Interjection.

The Chair: Mr Bisson, you've been interrupting not only Mr Miclash but your own minister.

Mr Bisson: I do it all the time.

Hon Ms Martel: We've been dealing with youth unemployment through a couple of initiatives. First of all, our ministry established the northern training opportunities program, NORTOP, which is a wage subsidy program dealing specifically with youth and youth employment in the province of Ontario. Through that program we have a couple of components which I should bring to the attention of members.

We have a straight wage subsidy program for, really, high school students who will be returning to their studies in the fall. We have a program that deals with students at the college level who are involved in a co-op program who use NORTOP for the practical part of their work, and we provide funds to the employers they're doing their practical work with. We also have the internship component, which is a one-year placement with an employer. In most of those cases the employer then would hire that student on a permanent basis.

Finally, we have an aboriginal component where we use funds both for recreation purposes for first nations students specifically in aboriginal communities—we had about 36 of those positions this year—and the aboriginal internship program, which comes under that rubric which allows for one-year internships of aboriginal students with private sector participants. We have 13 students who are going through that program.

So we have funded in the last year about 2,300 positions. The total number of positions over the last three years is in the order of about 8,000, with a budget in and around \$6 million in the first two years. It was probably a bit less this year.

The ministry itself also hires people through the OGS, the Ontario geological survey, to do mapping and survey work. I'm just looking for the number of positions. The actual that we funded for last year was 62, at about half a million dollars. The proposed figure for this year was 55, at \$410,000, but I'm not sure of the actual numbers that we did hire, because the season for mapping and geological work is not quite over.

We also, through the summer Experience program, hire a number of students to do other work across ministries and through the government. That program was in place this summer; it's an eight-week program. Again, in many of the cases the jobs aren't terribly great in terms of pay, but they are good in terms of work experience.

1620

Each of the ministries as well has an internship program on the employment equity side. We have three students employed through the ministry who participate with us and they are candidates from the target groups we have established under the act.

I think, specifically targeting youth, those are the programs we have in place which deal directly with them and where people who apply have some restrictions based on age etc in order to apply.

Over and above that, I would have to say that we can't put a number on those students in particular who would have been employed in communities throughout the province over the last number of years because of the capital works programs that we had initiated. Specifically, I referred to the anti-recession program, Jobs Ontario Capital, the JOCA program, the Canada-Ontario infrastructure program that's in place now and the construction that goes on because of the base capital budget of the Ministry of Northern Development and Mines.

I can say that for the first two programs, anti-recession and Jobs Ontario Capital, we did receive over 30% of all the funds that were allocated to the program. Under Jobs Ontario Community Action, we've received about 28% of all of the funding that's been allocated to date.

Again, I suspect that through the initiatives that are being undertaken on the hardwood side there will be a lot of promise for a great number of young people across northern Ontario who have an interest in forestry initiatives, because under that particular program, to date there have been over 1,300 new positions announced just in mill and transportation alone, not to count for the service sector that will be attached to that project. By the time the rest of the announcements are made on the new mills and the expansions in northeastern and northwestern Ontario, I suspect we will have several thousands of jobs that will be available for residents in northern Ontario as the construction phases continue and as those mills get up and operating.

Mr Miclash: Minister, I'd like to read into the record some comments made in terms of health care. You

indicated earlier that you are not directly responsible for health care in the north, but you being the advocate for northerners, as I indicated in my opening remarks, I think you would be interested in some of the comments I'm going to read into the record. The first one indicates:

"The lack of services and the lack of accessibility to existing health care in the north make Toronto, with all its problems, look like the Taj Mahal of health care or a paradise of health care. This is not to diminish the crisis proportions of the problems with the health care system in the south. It is to highlight the chronic seriousness of the difficulties faced by northerners."

Another comment: "Health care is a basic right," which I think we all agree upon. "Northerners need medical attention and treatment just as those people living in the more prosperous southern region of this province do. They are tired of being treated as second-class citizens. That is the message we are receiving as we embark on yet another tour of the north to talk with people about their needs and how best to meet them."

Minister, I submit to you that those are the lofty words of your present colleague the Minister of Transportation. This was to the committee in 1989, and I guess they are even more fitting today, in 1994.

You will know of some of the problems I am going through in terms of communities in my riding, the access to emergency health care, in particular—and you mentioned it earlier on—Red Lake. I would ask you, as the advocate on behalf of northerners, what you're doing in this area, in particular in the area that I'm sure you're familiar with, that being the lack of emergency services to the folks in the smaller communities throughout the north.

Hon Ms Martel: If I deal directly with the emergency services, we have certainly made the following point to a number of municipalities that we have met with, and that is, in our view, the continuing provision of emergency services in northern Ontario must be dealt with within the global budget that has been allocated to physicians by the Ministry of Health, which is in the order of about \$2.85 billion.

We have had across all of the public sector a social contract which has been imposed and all of the people who work for the public, ourselves included, have had our wages and salaries affected as a consequence. Therefore, any provision of emergency services, to my mind, must be maintained and retained within the existing global envelope that was negotiated with the physicians in this province as part and parcel of the social contract.

With respect to Red Lake in particular, the member should know that the regional office of the Ministry of Health has moved into the Ministry of Northern Development and Mines in Sudbury, to the fourth floor. We are certainly pleased that Mrs Mahood and her staff, who are dealing with northern health care issues and the direct contracts, will be working very directly with our policy people on the health and social service side right in the ministry. We think that level of coordination and cooperation can only be benefitting because they'll be right in our building.

We have been dealing with Mrs Mahood with respect to the situation in Red Lake in particular. I met with the town councils of both Golden Lake and Red Lake at the Association of Municipalities of Ontario conference which was held in Toronto several weeks ago. As I understand it, the negotiations continue even until this point.

I certainly made the communities aware of that when we had obtained the information from Mrs Mahood. I have no idea what the position is that has been put by the province with respect to those negotiations. I only know that they are still continuing to negotiate, and I certainly hope there can be a positive resolution to what is a very difficult problem.

Mr Miclash: I must admit that hope is not doing much for the folks in Red Lake, who know that after 5 pm there are no emergency services that they can rely on in terms of that particular area.

Minister, moving on to some of the 1990 election promises referred to earlier, I'd just like to find out exactly where we are in terms of these after four years, these promises that were made in 1990. I've already touched on the equalization of gas prices across Ontario, and we know where that one got to. I would now like to touch on the push for a northern medical school so that health care providers stay in the north. Again, that was a commitment made in your campaign literature in the election of 1990. Can you update us on where you are in terms of that commitment?

Hon Ms Martel: The approach that the government has taken, particularly in light of the economic times which we have been struggling under, is to try and look at those health care professionals across the province whom we can encourage training and development of in our special part of the province. In that regard, both our ministry and the Ministry of Health have done a couple of things.

I mentioned earlier in response to a question to Ms Murdock that our ministry funds the respiratory therapy program, the capital side, in conjunction with Ministry of Education and Training at Canadore College. That is the only program in northern Ontario of its kind. It is certainly our hope that, as people graduate through that three-year program, because they have done their technical and practical work both in North Bay and in Sudbury, they will remain in those communities to provide service.

Secondly, I have been very supportive of the midwifery program that has developed at Laurentian University. That is in its second year. We certainly have a shortage of obstetricians across the province, in northern Ontario in particular, and that has led to some really serious problems in terms of child delivery in a number of our communities.

In Sudbury, as a consequence of having the program there, there are five midwives now operating in the community, three full-time, two part-time. I had the opportunity to meet with the director who will lead the Thunder Bay program and operate the Thunder Bay clinic three weeks ago, so I see that program as instrumental in training and educating midwives in northern Ontario so that they will stay in northern Ontario. I am pleased with

our participation as a ministry because we did participate financially, and also with the participation of the Ministry of Health.

With respect to the radiation therapists who are being trained at the regional cancer treatment centre in Sudbury, that is a program that is administered by the Ministry of Health. It was begun under our government. It's an excellent program, because we have a shortage of radiation therapists in the province of Ontario. The recruitment was specifically done in northern Ontario, and in meeting with the students in that course about three months ago, I was assured by all of them that it was their intention to stay in the community. Now, there were only five of them. There are two being trained in Thunder Bay, but it was the intention, as I understand, of all seven to remain in the community.

So the effort we have tried to make has been very much to look at those health care professionals whom we think can be trained in northern Ontario and can reach their practical experience in northern Ontario, and we have moved on a number of programs to ensure that training of those people is occurring in northern Ontario.

1630

Mr Miclash: I guess I go back to my original question, Minister, the northern medical school. Maybe I missed something in your answer, but where are we in terms of a northern medical school?

Hon Ms Martel: As far as I'm aware, when we talked about the northern medical school, we made it clear that our intention was to attract and retain health care professionals by providing them with the ability to do their ongoing training in northern Ontario. While we might not have a specific site with a sign in front of it that says, "The Northern Medical School," I do believe that what we have done is, in at least three areas which I have just named, provided for the training and—

Mr Miclash: Yes, all I'm doing is going back to commitments that were made. A northern medical school was the commitment.

Hon Ms Martel: What I'm very clearly saying to you is regardless of whether or not there are bricks and mortar, we now have at least three sets of health care professionals—actually four, because I'm going to include the speech pathology program that exists at Laurentian University, which is in its second year. We now have four sets of health care professionals who are receiving specific training on the ground with peers in northern Ontario.

We have seen, as a consequence of the medical residency program, that the people who have just started to come through that program, the first set of graduates last year, are in fact remaining in the community. I would think that very clearly demonstrates that, regardless of bricks and mortar, we have health care professionals who are being trained in our special part of the province and are staying to provide service to our residents.

Mr Turnbull: Minister, I spoke to you before about the four-laning of the Trans-Canada Highway and, as you're well aware, your Agenda for People said that you were going to spend \$100 million per year on four-laning

the Trans-Canada Highway. Can you tell me what progress you've made?

Hon Ms Martel: Yes, I can. We've got four major projects which I can outline to you in terms of where four-laning is going on in northern Ontario. Obviously, given the financial constraints this government has operated under in the last four years, we have not been able to devote the entire highway capital budget to four-laning. We have used the money that we have received through the highway capital budget in northern Ontario for four-laning, for renovation of four-laning that was already in existence, for the addition of passing lanes, for the creation of expressways, one in Sudbury in particular and another in Thunder Bay which we will be moving on.

The four big four-laning projects that we are dealing with between this year and next are:

—One between Huntsville and Powassan. We recently completed 10 kilometres of a four-laning section there between Callander and Powassan and the contract for the next seven kilometres of four-laning will be awarded next spring of 1995.

—Highway 17 from Thunder Bay to Nipigon. We've completed three kilometres of that four-laning project and the contract for the next 10 will be awarded, again, in the spring of 1995.

—You will know that the minister responsible for native affairs signed an agreement which was ratified with the Garden River First Nation which will allow for four-laning easterly of Sault Ste Marie. That is a \$50-million project and that four-laning is scheduled to begin in early 1996.

—In Sudbury, as well, the four-laning continues at Waubaushene at this point. The construction that is going on will be complete to Port Severn in 1995 and to MacTier by 1999. Right now, the Ministry of Transportation has just begun the planning studies heading from Sudbury south versus MacTier north, because it is our intention to start a four-laning project from Sudbury south and continue the work that's coming from the north so it will join at some point north of Parry Sound.

Mr Turnbull: You've just outlined a shopping list of things that are mainly going to occur probably after your government is no longer in power. We're not talking about what some future government may spend money on, what we're talking about is in the four years since you've been in power. You had committed to spend \$400 million. One of my staff contacted the ministry this afternoon and asked specifically how much had been spent on four-laning the Trans-Canada Highway in the period 1990 through 1994. The number we were given by your ministry was \$11.4 million. Now that, Minister, for your benefit, is 2.775% of what you committed to, and all you do is give me a recitation of projects that are going to occur in the future. I'm not sure—I might be wrong about this—but I believe Highway 11 is not part of the Trans-Canada Highway. Is that not correct?

Hon Ms Martel: You asked for four-laning. You didn't ask for Trans-Canada—

Mr Turnbull: I said four-laning of the Trans-Canada Highway. I was most specific, Minister.

Hon Ms Martel: My apologies. I thought you were asking for a specific four-laning project and that's what I was responding to.

Mr Turnbull: I was talking about four-laning the Trans-Canada Highway. Perhaps you would like to resubmit your answer, what you have done since you have been the government in four-laning the Trans-Canada Highway. You will recall, this is one of your major northern Ontario initiatives that you committed to in Agenda for People.

Hon Ms Martel: Yes, I do remember that and I also am very cognizant of the fact that we have had some particularly severe economic times in the province which all of us, regardless of party, have been trying to deal with. I don't think anyone in this room can choose to ignore that fact, because the impact in the province of Ontario has been very real and very severe. At the same time as we have had that impact, a number of people, your party included, have encouraged us to deal with the deficit and reduce our spending. So we have been trying to cope with all of those issues and, at the same time, deliver capital construction on highways in northern Ontario.

What I'd like to do is—one of the members of our staff who deals specifically with our transportation budgets, in conjunction with the Ministry of Transportation, is here and I wonder if I can just ask him if he can come to give to me the figures on the four-laning.

Mr Turnbull: While that gentleman is coming forward, you will understand we're not talking about what my party or, for that matter, the Liberals are asking you to do or telling you you should do. What we're talking about are your commitments and what you, as a government, have done. We're talking about credibility here. Could I ask you then, is the number we got from your ministry this afternoon correct: \$11.4 million spent in the 1990-94 period on four-laning the Trans-Canada Highway?

Mr Tom Marcolini: My name is Tom Marcolini. I'm a senior transportation economist with the Ministry of Northern Development and Mines in the Sault. One of the areas I deal with is the highways and roads program. The question again was?

Mr Turnbull: Is it correct, the number my staff got from your ministry this afternoon, that expenditures by this government in the period 1990 through 1994, specifically on four-laning the Trans-Canada Highway, was \$11.4 million?

Mr Marcolini: I believe that's accurate. Yes.

Mr Turnbull: Okay. So that's 2.775% of the commitment that you made.

Minister, the other major commitment you made in Agenda for People was on the northern fund. The NDP's Agenda for People promised \$200 million per year would be reserved for this. What happened to that?

Hon Ms Martel: Very early on when we came to government, I certainly approached the Treasurer, who is a northerner as well, to ask him very clearly what kind of increase in capital funding could be allocated to the Northern Ontario Heritage Fund Corp as that was the

vehicle through which we were going to promote economic diversification and job creation. He, at that point, was in the process of discovering that we did not have a balanced budget but in fact were about \$2.5 billion in and it looked like it was getting worse, and advised me very clearly that we were not going to be in a financial position to allocate from the consolidated revenue fund to my ministry \$100 million for the Northern Ontario Heritage Fund Corp.

What we have done is continued to receive the \$30-million annual allocation despite the expenditure control plan and despite a number of other cuts in programs which have occurred across our ministry and indeed every other. We've been in a position to protect that amount of money, because it is very important to northerners and to northern businesses, and every year we have allocated the full amount of funding that we have received.

1640

But again, given the economic times and given the deficit numbers which we certainly weren't clear on or had access to when we were in opposition, it became clear that when we got here and started to go through the numbers, we would not be in a position to fund to the levels we had wanted those programs that are particularly important in our part of the province.

Mr Turnbull: Minister, I certainly recognize the difficulty of a government that comes in and finds that in fact the numbers that have been published are not correct. The fact is, after you found out what the state of affairs of Ontario was, your Treasurer and the Premier stated they were going to buy their way out of this recession, with obviously fiscally disastrous results. But the fact is, they were going to spend money and yet, even during the time that they were going to spend money to get out of the recession, wasn't there any thought of giving money to northern Ontario to these absolutely key pillars of your election platform for northern Ontario?

Hon Ms Martel: Indeed, a number of funds did come to northern Ontario under the anti-recession program that was established by my colleague the Treasurer. The anti-recession program, as you will recall, is a \$700-million fund which was designed to create employment, even on a short term, provide for the purchase of goods and services locally during construction, and improve the quality of life in our communities.

Northern Ontario benefited a tremendous amount from that program. We received \$210 million of the \$700-million fund, or 30% of all the funds that were allocated during that program in that single fiscal year in which we had the program.

Mr Turnbull: Your ministry claims that the total value of its investments since 1988 is \$648.6 million. Could you tell me how you arrived at that figure?

Hon Ms Martel: I'm sorry, I'm not sure which program line you are referring to. If you can give that to me, I can—

Mr Turnbull: I don't, unfortunately, have the program line here, but we'll undertake to get it to you for tomorrow so you can respond to that.

You will recall I alluded to the question of your credibility before. I've pointed to the two main planks of your northern Ontario election platform and on both of them we found that—well, on one you've come up with \$30 million out of \$200 million; and we've got another one, you've come up with \$11.4 million out of \$400 million.

In addition to that, I would submit that when we talk about your credibility—and I spoke to you about this before—there have only been three questions submitted to you since April of last year. I couldn't get the numbers going back today from the library, but I could just get back to April 1993. There have been three oral questions put to you, as compared with an average for ministers of 30 to 40. I see there's only been three written questions put to you in the same period. Would this not indicate, and in connection with your ability to execute your party's platform, that there is credibility lacking in your ministry?

Hon Ms Martel: What it suggests to me, Mr Turnbull, is that members of the opposition party are not interested in northern issues and so they don't ask northern questions.

Mr Turnbull: I would submit that is absolutely ludicrous.

Hon Ms Martel: We have two different opinions.

Interjections.

Mr Turnbull: We've had committees up in northern Ontario talking to people and I can tell you that people are most concerned. We have no trust in getting anything done. That's alarming. It is absolutely appalling that you've had three questions from the opposition—

Interjection: It is.

Mr Turnbull: —as compared with 30 or 40 to other ministers. I think you should certainly weigh that in your decision whether you're going to resign.

Interjections.

Hon Ms Martel: What I see, Mr Turnbull, in my opinion, the real problem—

Interjections.

The Chair: Order. Order please, everybody.

Hon Ms Martel: In my opinion, it is alarming and it suggests to me that the members of the opposition are not interested in affairs that affect northern Ontario. There is not much I can do if members of the opposition do not choose to raise questions with respect to important issues in our special part of the province.

Mr Turnbull: I would suggest that an election could solve any questions you may have in your mind. What is your ministry's relationship with the Ontario transportation corp?

Hon Ms Martel: The ONTC is a scheduled agency of the government of Ontario.

Mr Turnbull: I'm fully aware of that.

Hon Ms Martel: They operate in conjunction with us through a memorandum of understanding. They also receive funding from us through a fixed-price contract to help subsidize those non-commercial services provided by

the ONTC in northern Ontario.

Mr Turnbull: Are you planning to turn over capital projects to this new agency?

Hon Ms Martel: Any of the capital projects that are undertaken by the agency, by and large, with respect to enhancing its infrastructure are undertaken by the agency in conjunction with commercial lenders. The one area I recall that we were helpful in assisting the commission was with respect to its train sets and two years ago we provided some funding under Jobs Ontario Capital, I think in the order of about \$4.3 million, to allow the commission to undertake a major project on our railways, which was done in the North Bay shops and greatly increased the employment there.

Mr Turnbull: Under item 2402-6, Jobs Ontario Capital infrastructure estimates, there are \$133.4 million, down from \$145.1 million in the 1992-93 period. What happened to your commitment to improve the north's transportation system?

Hon Ms Martel: With respect to the estimates last year to the amount of funding that we have received for highway transportation, we received an allocation from treasury and based a number of projects on that estimation. At the same time that a number of projects were then announced, we were advised that there would be an in-year capital constraint that would be applied to all of the capital ministries, ours included, by treasury, and we had to respond to that commitment, as did all other capital ministries of this government.

A number of projects were also nearing completion, including the Sudbury southeast bypass, which was the biggest one, and that one as well, because of its completion, required less capital funding than it had in the past and so that capital funding was not provided.

Mr Turnbull: Are you planning to establish toll roads on some northern highways?

Hon Ms Martel: If there was any indication or decision that would be made with respect to toll roads in northern Ontario, it would be a decision of the cabinet, not mine solely. Clearly, there is a toll road that is being established, which we are all aware of, and I would expect we would want to see what our experience is with that before we might proceed with another. But, again, it would be a decision not made totally by me.

Mr Turnbull: Has there been some discussion of this as a possibility?

Hon Ms Martel: My understanding at this point is that we are interested in ensuring that Highway 407 gets up and going, and the Ministry of Transportation is dealing with that and is preoccupied by that toll road at this time.

Mr Turnbull: Does that indicate that there is a possibility; that you're considering it is a possibility?

Hon Ms Martel: No, I think what I said every clearly was, the Ministry of Transportation is dealing with one toll road at this time. It is the major capital construction project across North America at this point and I believe officials in that ministry would want some experience with how that project works before they would be looking for any others.

Mr Arnott: Minister, I want to change gears slightly and ask you about northern health care and a similar issue in rural Ontario, the area I represent, Wellington county. The most acute issue is the coverage of our emergency rooms. Some of the hospitals in the north, I would say, have a health care crisis. I think it's fair to call it that when the emergency department closes. The root problem, I think, is we haven't got enough doctors who are prepared to practise in rural and northern Ontario. As the advocate for the north, are you satisfied with the Ministry of Health's actions to date to solve this problem?

Hon Ms Martel: Certainly in discussions that I had most recently with Mrs Mahood, I talked to her at some length about the ministry's movement on its direct contracts and where that is at. She was certainly working at that point in time and was going to start to have discussions with some of our staff in the ministry to keep them aware of what she was doing in the hope of having those available and in place by October. I think it is one of the substantial ways that the Ministry of Health will be in a position to ensure we have physicians who are prepared to practise both in underserved communities in northern and in rural Ontario.

1650

Again, though, and over and above that, you will know that there is a committee that has been struck by the ministry which includes a number of representatives from northern Ontario. The representative from Sudbury who I'm familiar with is the director of nursing at the Sudbury Memorial Hospital. That group is looking at some very specific initiatives around training and retraining and other issues that affect decisions made by physicians to practise which are outside of the funding envelope.

It was my understanding, in discussions with her about two months ago, that that committee, which had formerly been called the Evans committee and now is operating under another name which I cannot remember—my apologies—was going to be in a position by the end of the year to make some recommendations to the Minister of Health. It is my hope that the recommendations they will make with respect to training and other issues that are outside the global envelope can then also be incorporated by the ministry and help in the area of physician recruitment, where we do need some help.

The Chair: Thank you very much. Mr Bisson.

Mr Bisson: I understand, Mr Chair, that we're running about 20 minutes late today. In the interest of saving time, we'll give you our 20-minute rotation in order to catch that 20 minutes.

The Chair: And which? I'm sorry.

Mr Bisson: We'll give you our 20 minutes in order to bring you back on time.

The Chair: Thank you very much. Mr Miclash.

Mr Miclash: Minister, I'd like to change over to the mining side of your ministry. As we've heard on a good number of occasions, this is certainly a pillar of the economy in terms of Ontario, and especially in terms of northern Ontario. However, in my travels across northern Ontario, a good number of people have seen this industry

as a sunset industry, believe it or not, and they don't understand the importance that mining does play and the player that it is in terms of the Ontario economy.

I'm just looking for information in terms of what action your ministry has taken in the past four years to improve the image of mining here in Ontario.

Hon Ms Martel: Thank you, Mr Miclash. It is certainly not a sunset industry, and in any of the speeches I make to whatever group I'm talking to about this, I remind people that in the province of Ontario now, some 75,000 people are employed directly or indirectly in the mining industry, and secondly, that last year alone some \$4 billion worth of economic wealth was generated by this industry in this province alone.

In terms of trying to raise the profile of mining in the sense of making the public aware that this is not a sunset industry but a very important industry whose health must be maintained, we have done a couple of things.

First, we participate, and we made a conscious decision to spend money to participate, at a number of international exhibitions where we can make people aware, investors in particular, of the role that mining plays in the province and of the value of not only our base metal production but of our dimensional stone industry. We have spent some funds to allow both the staff and myself from time to time to go and make those representations both to the financial community abroad and to a number of potential business contracts who would be interested in doing work in the province.

Secondly, we undertook the television ad campaign two years ago, in the fall of 1992, a \$250,000 campaign, because we were concerned that while there are large levels of support for the mining industry in northern Ontario, people seem to be unaware of the importance of the industry or the products it produces here in southern Ontario. The campaign, which included three ads, was targeted specifically at a southern Ontario audience. It ran for a six-week period, and at the end we also did some work with Decima to determine whether or not people's perception of the value of this industry changed as a consequence of understanding what kinds of products were produced. We found that indeed people polled before and after did change their view and were much more receptive to mining in the province.

We provided all that information to MAC, to the national organization of mining communities, and we encouraged MAC, who were also at the time looking at what publicity they could undertake, to use the model that we had because we felt it had changed perception. We also offered, for a fee, to have them use our ads as well because we thought they were that important. They are still dealing with that issue, and so we will see what the offer is there.

This year as well, during Mining Week, we provided some funding to MCTV in northern Ontario to allow the ads to be played in northern Ontario as well.

We also, both in northern and southern Ontario—in northern Ontario through our own ministry—have produced educational kits for school children in the hopes that science teachers across the elementary panel in

northern Ontario could teach their students about the value of mining as well as their concern for the environment.

Last year in March we announced a joint project with the PDA to do the same thing in southern Ontario, and we are working with the PDA now to develop the school kits. In this case they will be targeted to science teachers in the high school panel and will be distributed throughout southern Ontario.

This year through NODA as well we also did an educational program with McDonald's Restaurants in northern Ontario, a couple of locations in the north and at the McDonald's on Highway 400. People may find that to be a bit strange, but given the large volume of families that go through McDonald's, we were particularly interested in having kids become more aware of the value of mining, so tray liners were produced in conjunction with McDonald's that talked about the value of mining and had games and other things that we thought kids at all levels and all ages could relate to in order to increase their awareness. About 380,000 of those went out.

So we have tried on a number of fronts, through direct advertising, through school kits, through the work with McDonald's, to make people aware of the importance of this industry, and we hope the message is getting through.

Mr Miclash: Minister, what is the most recent information you have in terms of the total number of mines operating in Ontario, and how many would that total number be?

Hon Ms Martel: The total number of mines that are operating in the province right now is 58. I can give you the breakdown of what kind they are if you want.

Mr Miclash: No, not important. I guess what I'm looking for is, what did we have operating in Ontario, say, over the last four years? Let's go back to 1991 and look at those figures and see if we can see a pattern between 1991 and 1994.

Hon Ms Martel: I can give you the mine openings and mine closures through those years. Would that be helpful?

In 1990, three mine openings. In the same year, nine mine closures. In 1991, three mine openings, nine mine closures; 1992, three mine openings, five mine closures; 1993, four mine openings, one mine closure; and currently in 1994, one mine opening and one mine closure. So from 1990 through to now, the trend in terms of closures is coming down. Last year was the most successful year in terms of openings, but 1994 is not over yet and there are a couple of projects that are in advanced exploration stages which may still result in an opening this calendar year.

Mr Miclash: Speaking of projects that are sort of in the throes of going forward, could you maybe offer some comment in terms of the Shoal Lake project, where it's at and where we can expect it to go over, say, the next month or so?

Hon Ms Martel: At this point, as you would know, new proponents have taken over the operation because of the untimely death of the former proponent. When this project was designated under the Environmental Assess-

ment Act—and you will know when that was—basically, as I understand it, the decision made by the government of the day was to do so because there were concerns about a milling operation occurring on an island in the Shoal Lake watershed. Concerns were raised particularly by people living in Winnipeg, because it is a source of water for everyone in Winnipeg, that there may be some contamination and a problem as a result of that.

1700

When we came to government and when the new proponents came to see us, they came very clearly to tell me in particular that they recognized those concerns and they were prepared to revise their plans and have milling operations moved from the island on which they wanted to do the extraction to the shore itself, and they would move the deposits of rock by barge. At this point, it is my understanding that they have requested a formal meeting with a number of ministers to discuss their revised plan, and that the EA technical staff, the EA branch at the Ministry of Environment and Energy technical staff, are in the process of trying to coordinate a meeting so that those ministries that would be affected or have a role, like myself, MNR and MOEE and native affairs, can have a chance to meet with the proponents directly and hear what the changes are and why they think the operation then would be safe.

We've also, frankly, encouraged them to have some discussions with the Ministry of the Environment and the Ministry of Mines and with the city of Winnipeg, because I think it's awfully important that they have those folks on board too if this project is to go forward.

Mr Miclash: Do you have any date set for this meeting of bringing all the great minds together?

Hon Ms Martel: No, I don't know when that will be. My understanding is they've made a formal request and there is some effort to tie down three ministers to have that occur.

Mr Miclash: But I can be confident that you're advocating for that date to be soon.

Hon Ms Martel: I certainly would like to see us deal with it in one way, shape or form, because I'm really cognizant of the fact that there are two first nations, Shoal Lake number 39 and number 40, that by and large have been supportive of this particular project and that the company has made some arrangements, which I am not clear on all the details of, with those two first nations for jobs and perhaps royalties. So we do have a number of people who have traditionally been left out of the employment field who could benefit by this project.

Mr Miclash: I certainly know that, Minister. Thank you.

Mr Arnott: Minister, I want to ask you about duplication and overlap within the ministry. Certainly I think in ministries that involve an advocacy role, as yours does, responsible for a whole area, potential exists for considerable overlap with some other ministries; for example, Natural Resources would come to mind, overlap with the federal government.

Do you agree that there is considerable overlap and duplication within your ministry, first of all, and if there

is, have you seen it as a priority for your action as minister to endeavour to root that out, the inefficiencies that might be there? Have you done anything about that in the last number of years since you've been Minister of Northern Development?

Hon Ms Martel: A couple of areas I think where we have identified overlap were our clients who come to talk to us about overlap, which is probably more important in terms of identification. I can give you some examples between the aggregate sector and a number of our proponents on the mines side. Producers can come under one of two acts: if they're dealing with quarries, the aggregates act under MNR, and the Mining Act under our particular ministry. That has been a real source of contention for a number of them for a couple of years.

In the omnibus bill that was moved forward by I believe it was the Attorney General in the spring session, some of the changes that are occurring on the mines side deal directly with aggregates and with our Mining Act and will resolve the issue of the duplication that has gone on so producers are aware of which act they will operate under, who they will have to give their design plans to etc. That should resolve a lot of the problems they have gone through.

Secondly, in the ministry itself, when the new Mining Act was developed, there is a section under that that was quite new. We were the first jurisdiction to put it into place, and again that came through under the former government, to its credit. It, however, caused some concerns for a number of our clients, because when they were trying to get permits, they were dealing with both our ministry, the MNR, the MOEE and sometimes the Ministry of Labour on health and safety concerns.

We worked through with those three ministries and two years ago announced at the PDA that in fact our ministry was recognized as the lead for permitting for advanced exploration projects, and we have signed memorandums of understanding with those three ministries which guarantee that we are the lead and we will take responsibility for advocating on behalf of our clients to get through that process.

There is a third area of duplication which we have been very concerned about, again brought to our attention by our mine clients in particular. This has to do with environmental assessment and mining companies in particular. At present we only have one potential mine operation that has been designated under the Environmental Assessment Act. Under that act there also is a provision for the federal government to apply its own EA designation and requirements. Our clients have been very concerned about that possibility.

The minister, in his most recent correspondence, actually, to the federal Minister of Health, which was about August 24—response that was coming back to the Ontario Mining Association—made it clear that he was very much trying to involve the federal government in looking for an agreement that exists in two other provinces on how we can avoid that duplication and have a single process, which again would ensure people understand timing, what controls they have to go through and how much it will cost. He is hoping to start some negoti-

ations with the federal minister. I certainly hope that Ms Cops will be in a position to respond, because it is an important issue that we need their involvement on to resolve.

Mr Arnott: The information that's been provided to me is that there are 29 Northern Development offices, local offices of the ministry.

Interjection.

Mr Arnott: It's 28? There are six northern Ontario small business network self-help offices and there are 38 municipal economic development agencies. I believe those numbers come out of the estimates. Do you think a potential exists that some of these offices do work that overlaps?

Hon Ms Martel: No. Let me explain why, and the Chair is telling me to be quick. The 28 offices of the Ministry of Northern Development and Mines deliver all of the programming of the ministry on the Northern Development side throughout communities in northern Ontario. In many of those communities we are the only government office. We are the only face of government, both on a federal and a provincial level. Our staff in those offices—and there are normally two—deliver all of the applications we would have for Jobs Ontario Capital, NORTOP, the SNAP program, our programs that deal with sexual assault prevention, wife assault prevention. They deal very specifically with all of the applications for our ministry. They try and provide general information about other ministries and their permits etc. But in most of those communities we are the only people delivering government programs. We're certainly the only people delivering our programs.

The six self-help offices, while they are funded by the Ministry of Northern Development and Mines, are actually delivered by economic development organizations in

those communities. For example, in Sudbury it's the Sudbury Regional Development Corp that delivers all of the peer counselling and the business self-help advice to people who come through the door.

Our staff are not there. We do not do that. We fund the operation. I do believe there is an agreement. Whether it's a memorandum of understanding or what exactly I'm not sure, but we do provide the funds for that.

Under the Municipal Economic Development Agency program, we provide funds to individual municipalities to deal with economic development initiatives on their own. The funds that we provide allow communities or regions to establish an economic development office which is responsible back to the municipality.

The economic development office has to establish a board which is representative, but they deal with the municipality. For our purposes, the contract which is signed is a contract of how the money will flow to the municipality for the work of the corporation. But again, the economic development initiatives, the strategies and the development of the same are not directed by our staff in any of those cases. They are directed by the local board and by those people who have been employed by the board to undertake those initiatives.

Mr Arnott: Thank you, Mr Chairman. I forgot what I even asked.

Hon Ms Martel: Sorry.

The Chair: There's been an agreement that we'll bring to a close at this time today's estimates. We will reconvene tomorrow at 10 am in room 151. We have approximately two hours to finish the estimates of the Ministry of Northern Development and Mines. This meeting stands adjourned until tomorrow.

The committee adjourned at 1710.

CONTENTS

Thursday 15 September 1994

Ministry of Northern Development and Mines	E-651
Hon Shelley Martel, minister	
Stephen Stepinac, former director, legal services branch	
Tom Marcolini, senior transportation economist, northern regional and community development branch	

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

***Vice-Chair / Vice-Président:** Arnott, Ted (Wellington PC)

Abel, Donald (Wentworth North/-Nord ND)

Carr, Gary (Oakville South/-Sud PC)

***Duignan, Noel** (Halton North/-Nord ND)

***Elston, Murray J.** (Bruce L)

Fletcher, Derek (Guelph ND)

Hayes, Pat (Essex-Kent ND)

***Lessard, Wayne** (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

***Ramsay, David** (Timiskaming L)

Wiseman, Jim (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Bisson, Gilles (Cochrane South/-Sud ND for Mr Wiseman

Martin, Tony (Sault Ste Marie ND) for Mr Abel

Miclash, Frank (Kenora L) for Mr Mahoney

Murdock, Sharon (Sudbury ND) for Mr Fletcher

Rizzo, Tony (Oakwood ND) for Mr Wiseman

Turnbull, David (York Mills PC) for Mr Carr

Waters, Daniel (Muskoka-Georgian Bay ND) for Mr Hayes

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



E-35

E-35

ISSN 1181-6465

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35^e législature

Official Report of Debates (Hansard)

Friday 16 September 1994

Journal des débats (Hansard)

Vendredi 16 septembre 1994



**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Ministry of Northern
Development and Mines

Ministre du Développement
du Nord et des Mines

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944 – 1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Friday 16 September 1994

Vendredi 16 septembre 1994

*The committee met at 1006 in room 151.*MINISTRY OF NORTHERN
DEVELOPMENT AND MINES

The Chair (Mr Cameron Jackson): Good morning. We have approximately two hours remaining to complete the estimates of the Ministry of Northern Development and Mines. I have Mr Martin I'd like to recognize first and then Mr Bisson.

Mr Tony Martin (Sault Ste Marie): It's good to be back this morning. Certainly, the Ministry of Northern Development and Mines is an important ministry in the part of the province that I represent, and as I said yesterday, we who live and work and serve up there are very thankful for the effort that has been made on our behalf by the minister and the ministry and this government, and I elaborated yesterday a bit on how my community of Sault Ste Marie has benefited over those years and asked a question of the minister re future plans to continue that kind of very positive activity and growth in the north.

I wanted to, though, talk a little bit this morning and get some thought from the minister on an initiative that has just been announced in my community, and I'm wondering what else there is that she's looking at or that she's aware of that might be coming down the pipe that would help not only myself but others who have some concern about their own economies.

I know that over the last three years we've been focusing very much on maintaining and saving and rebuilding infrastructure in the north. I guess we're all interested now in the recovery that's happening, the fact that the economy is getting better and what we see as the future. Certainly the government can only do so much and then I think the private sector has to kick in.

I was at an announcement a couple of weeks ago in the Sault where a big company out of the States, Georgia Pacific, in partnership with a company out of Canada, out of New Brunswick, Flakeboard Ltd, came together to locate a new plant in Sault Ste Marie, a plant that will be making a product that is not available anywhere else in Ontario. It's a \$90-million private sector investment. I was given the opportunity by yourself to speak at that and to thank those folks. There were people who flew in from Germany to that meeting that we had, to that ground-breaking, because they were so interested in this. They spoke at that session of using state-of-the-art technology, the best of technology that's available, and also talked of their interest in making sure that what they do is environmentally safe and all those kinds of things.

These are the kinds of opportunities we need to, I

think, be attracting and taking advantage of. Obviously, whatever we've done in the north over the last three years to restructure ourselves has become attractive.

This group, in fact, told a very interesting story when they were there about how they were all coming to Toronto to talk about the possibility of a new plant because they saw there was a need for one in this neck of the woods, and Sault Ste Marie was targeted as a possible site. Without telling anybody they flew up to the Sault to have a look, and the limousine driver overheard some of the conversation and became the economic development officer for the area for a couple of hours and took the guys and showed them various sites and explained the pluses that Sault Ste Marie had going for itself and all of that. So we in the north have become, I think, great champions for ourselves, but you, of course, and your ministry and this government have become champions as well.

Are there any other opportunities like this one where the private sector is looking at northern Ontario? Perhaps for the benefit of people in other parts of the north, and perhaps in the province, what kinds of things are you planning to do to make our neck of the woods continue to be as attractive as it obviously was to this group of people who are investing in Sault Ste Marie?

Hon Shelley Martel (Minister of Northern Development and Mines): A couple of things. One of the things that we have tried to do throughout the time that we've been here is be sure that the capital infrastructure is in the communities so that those communities are then in a position to attract investment. If a community can't develop because they don't have a sewer and water that will deal with that capacity, if they don't have an industrial site, if they don't have the hard services or the roads etc to deal with a high level of investment or other private-sector interests, then it's really difficult for their economic development people to go and try and sell themselves and attract anything.

So I think that part of the effort that we have made is to be sure that a lot of the capital dollars that we have spent, either through anti-recession or through Jobs Ontario Capital, through JOCA or through our base budget where we have top-up for sewer and water, has been very much to try and help those communities help themselves by putting them in a position so that they have the infrastructure and can go and look for those private sector investments and be very confident that they have in place in their communities all of the infrastructure that private sector companies will need.

If I look to some of the future opportunities that I see,

the big one that is on the horizon that the government is currently dealing with and has been dealing with probably in the last year really does focus on the hardwoods initiative that the MNR is leading and that we are providing support to. Again, while five mills have been announced in northern Ontario in particular to date, I think everyone recognizes that a request for proposal went out to a number of companies both in the northwest and the northeast, and in fact that process of selection is not complete.

The Ministry of Natural Resources and our ministry continue to work with some of the individual companies who have come through the selection process to determine where other mills can be situated, or where current mills that are in existence can have an expansion which would support not only their current level of employment but also add some new jobs in trucking, the woodlands operation etc.

So I think in terms of large private sector investment and use of the forest and forest products, that's where you're going to see some of the biggest investment for the next two or three years, and it will be in waferboard products and a number of products that are currently very popular in the US and European markets.

I also am much more optimistic about the state of the mining industry in the province these days than I have been before, certainly from the time when I came in 1991 when we were experiencing a great number of closures and the lowest level of investment that we'd seen in a decade. What the staff tell me who are out in the field dealing with explorationists right now and through the course of the staking season has been very clearly that they see a renewed optimism and certainly a much higher level of activity in the mining sector than we had for a long, long time.

So we have a number of operations that are doing expansion work, for example in Timmins at the super pit, or in Red Lake by those folks, and in some of those communities that's going to offer some major new employment as well.

So on the two sides of the resource-based industries I see some good opportunities that are coming. I think that we are all experiencing, although it's slow, a recovery which is starting to be helpful to people, to give them a sense of renewed optimism and certainly to give companies who are looking at Ontario a better and a clearer sense that this is a good place to invest and we should put our money here. We've got a skilled workforce, we've got the infrastructure, and we could do well in this province.

Mr Martin: Just on that line and using Georgia Pacific-Flakeboard as an example, our community, I think very intelligently, decided early on in front of the potential that was presented re the Canada-Ontario infrastructure program to invest a significant amount of that dollar in developing industrial lands, and I think that was probably one of the key elements in this company locating in Sault Ste Marie.

We were ready, we were providing services, we had property that they could develop and, as a matter of fact, there's a big chunk of that property still out there, if

other companies are interested in Sault Ste Marie, that can be accessed rather readily.

How many other communities in the north have chosen to do likewise with some of their money, do you know, and any other money that comes down the pike re our government, either in this mandate or in our next mandate as government, do you think will go to this kind of development?

Hon Ms Martel: Off the top of my head, I couldn't tell you which communities are planning what, but the jobs secretariat and our ministry, because we are administering the Canada-Ontario infrastructure program, have a complete listing of all of the project proposals that are coming in from all of the communities, both the regional municipality of Sudbury, which is the only regional government, municipalities, unincorporated communities, unorganized townships and local roads boards. I think that each member also gets notification in their own riding as to what project each community is putting forward.

Right now, we have 400 applications before us and about 300 that have been approved. My quick reading of it is that the majority of these focused on roads, by and large, and a fair number also focused on sewer and water, not major projects that would normally have to be done under OCWA, but storm sewers and other additions or expansions to current water treatment plants etc.

So we certainly could provide you with the full list of what everyone is requesting, but I do think that under that program a lot of communities are in a position to be making those decisions and making those changes in a way that they couldn't before.

The Chair: Mr Bisson.

Mr Gilles Bisson (Cochrane South): There's about five minutes left on our time?

The Chair: About five.

Mr Bisson: I wanted to get into a line of questioning in regard to mining. As the minister would well know and hopefully most members of the Legislature would know, mining plays a very significant role in the economy of Ontario and is probably key not only to northern Ontario as far as our wellbeing, but probably key to the strength of the economy overall.

As members would know, there was a group that was formed in northern Ontario, I guess some three or four years ago, called the Save Our North group, that asked the ministry to move on a number of initiatives in order to try to make the climate for mining exploration and the climate for money to be invested in mining an easier one and one that's more conducive to being able to attract the dollars necessary to sustain the level of activity in the mining industry that's needed in order to find mines.

At the time this particular group, Save Our North, made up of a coalition of people in industry, of trade unions, of chambers of commerce, of municipalities etc, had challenged the ministry and the minister of the day, yourself, to be able to respond to five key requests in regard to what was important for the industry to really put it in the direction that it needed to be put.

I'm going to jump to the back, but I'm going to come

back later because I'd like to have a bit of information on one-window permitting, but right now one of the things that was outlined in that was that they had asked the ministry to develop a system that we know today as the earth resource lands information system. It's a geological database that collects all of the minerals information that we have in the province of Ontario through the ministry of mines onto a computer system so that explorationists have a tool to better be able to find a mine.

As the minister would know, I had a press conference in my community about a week ago where we announced the coming of ERLIS into the community of Timmins. It's now deployed in Sudbury and Toronto and we're now deploying it into the regions of Timmins and, later on, Thunder Bay.

There seemed to be some confusion, I think, from industry. There was some people thinking that people were going to be charged a dollar to be able to sit down at the monitor every time they want to extract information from that database. I'm wondering if we just can put that to rest, because the way I understand it and clarify it—and this is what I think the mining community needs clarification on—is that when people extract information that is printed onto paper, in other words plotting of information onto coloured maps, it would be a fee that's charged, and I know there would be a registration fee that would be put in place when you first get on the system.

1020

I think what specifically I'd like to have a comment on is, will the mining industry and will explorationists have to pay a fee every time they access that system, every time they sit at the monitor and try to get information from the ERLIS system?

Hon Ms Martel: Let me do the best I can to respond. My understanding is that there will be a \$10 registration fee, which will be an annual fee, that our clients will pay for use of the system, regardless of whether or not they're accessing it in Toronto, Sudbury, Timmins, and then as we move on to—

Mr Bisson: Is that like a library card or something?

Hon Ms Martel: I've never seen it, Mr Bisson. For the \$10 fee, my staff tell me, you get a password, a mailbox on the system to do the work, and an opportunity to acquire additional space on the system. Right now, because it's so popular and because it's new and it's still in a project phase, we have a number of our clients who are coming in and who have been testing it to see whether or not it will be important either to them or the junior mining company that they represent. So we have large numbers of people who are using the system for quite an extended period of time, and we do have to work with our clients to figure out a way of access that's fair to everyone. Obviously the fee, if you want to pay, buys you some use that might be in addition to those who do not want to pay.

There are two points that I want to make. ERLIS is going to be delivered, in terms of the database's information, in two forms: in a hard copy form and a digital form. It is my understanding that in consultation with the industry the ministry has gone through a process of

determining a price, I thought, for a hard copy form which was only the price of reproduction, not an attempt by us to have any cost recovery for the entire cost of the system, which is a \$22-million system. Where we are now is we are consulting with them with respect to the digital system and, again, what kind of charge they would incur when they go in to the ministry and load down onto a disc and take it away in digital form, but those consultations, as I understand, are not complete.

Mr Bisson: I'll come back to that on our next round.

Mr Stephen Owens (Scarborough Centre): During my review of the Cooperative Corporations Act and the Credit Union Act, I spent a significant amount of time in northern Ontario. One of the consistent things that I heard with respect to the northern development section of your ministry was the compliments with respect to the kind of good work that you and your ministry are involved in.

In terms of some of the newer or new projects, community economic development projects that you see coming on line, whether in resource-based industry or in communities that are trying to diversify their economies away from simply being resource-based industries, can you give me and give this committee an idea of where you see your ministry heading on that?

Hon Ms Martel: First of all in dealing with the credit unions, under the Jobs Ontario community action program, we have made that program available to deal with communities who, for economic development purposes, really do want to establish a credit union or a caisse populaire. In the one case that we've funded to date and the others that we're looking at, they have been forced into that position because the traditional financial institution has left the community. Today we'll be opening the credit union in Ear Falls, for example, which has been funded under JOCA, and we are working with some other communities to develop the same type of thing, because that is really important for their economic development.

We have been really supportive and are doing some work now on the establishment of a labour-sponsored venture capital fund. The lead is being taken by the Ministry of Economic Development and Trade, but there is a northern component to it which we are very interested in and the Northern Ontario Heritage Fund Corp staff are involved in the discussions with MEDT and the proponents of that labour fund, and there are several unions involved to determine how we can establish it and how it can have a beneficial impact on northern Ontario.

Also through the legislation that was passed by the Ministry of Municipal Affairs with respect to allowing municipalities to establish their own share corporations, part of the impetus for that legislation came from some work that was done by the ministry, in fact in Sturgeon Falls. In that case, in order to save the mill and to establish a new corrugated recycling facility, the five communities in the area really wanted to strike a joint venture with MacMillan Bloedel.

The only way we could do it at the time, though, because the Municipal Act forbid those kinds of joint ventures, was to have a private member's bill, and that was sponsored by Mr Harris, who's the local member. But it was as a consequence of that situation and of the

success of it that the Ministry of Municipal Affairs then moved to have legislation which would allow that to happen. So there are a number of other communities that we are involved with which, because of what has happened across northern Ontario in terms of the restructuring, I believe will have an interest in entering into those kinds of joint ventures. The legislation will be in place to allow that to happen, versus having to go through a specific private member's bill, as we had to do in the past.

We are, just in terms of our own municipal economic development agency program, trying to expand that, because there are some aboriginal communities and groupings of aboriginal communities that want to participate and we think it's important to really start economic development in those as well, and this year we should be in a position to bring in two new aboriginal organizations to have that program.

The Chair: Before I move to the next rotation, perhaps a question of the deputy. Do you have any of the material which was requested from yesterday in writing to circulate to the committee? Were there any of those additional responses?

Mr Donald Obonsawin: I believe there were two responses. One was copies of the submission that was made to the commission. On that, when we arrived last night there was no one at the commission's office, so we were talking with them this morning to see what their opinion would be with respect to releasing that information.

With respect to the presentations that Mr Stepinac had made, he's in the process this morning of trying to find those. So those are the two pieces that we're still trying to get.

The Chair: Okay, very good. I have received through the clerk a series of questions from Mr Mclash. He has tabled those and we would ask that during the course, in a timely fashion, if they can be provided to the committee, it would be helpful. But I wanted to thank Mr Mclash for putting them in that form.

I'd like to recognize Mr Mclash for the next rotation, please.

Mr Frank Mclash (Kenora): Thank you very much, Chair. I do look forward to the answers to a good number of questions that I've tabled with the clerk and the Chair.

Madam Minister, I must go back to an issue that we touched on yesterday, and of course that being a letter that was sent to me, a letter from your office dated May 25, 1993. I'm still wishing to know who initiated the request for that letter to be sent to me. I know it was not initiated out of my office. I would like for you—"you" being the person who signed that letter—to tell me who actually initiated the request for that information.

Hon Ms Martel: We went through five hours of questioning yesterday and a number of those questions that were put by the opposition members were in fact in reference to a specific issue which we in the ministry feel has been dealt with by the privacy commissioner. A complaint, as you know, was raised against the ministry with respect to information which was released and the

way in which it was released, and that became then the subject of a four-month investigation by a third party; namely, the privacy commission.

On Wednesday of this week, we received the final report from the privacy commission with respect to the findings of the commission and with respect to the single recommendation that the commission has made on how the ministry should follow up and deal with the matter of personal disclosure; that is, that all of the staff should be very cognizant of the release of personal information in a manner which is in compliance with the spirit and the intent of the act.

As I said yesterday, it seems to me that the issue has been dealt with by a third party and I do not intend to use this forum to try and review the case, to look again at the findings of the commission, to go through in any way, shape or form what information was released and the nature of it. I think that situation has been dealt with by the third party, and what we intend to do in the ministry and what I think is most important is that we will implement the recommendation that has been put to us. The deputy has been looking at how to do that, in conjunction with our freedom of information coordinator, and we will undertake to let the commissioner know within a six-month period all of the steps we have undertaken to respond and to comply.

1030

Mr Mclash: We're in a session here which is called "estimates," and during estimates the minister and the ministry are asked to be held accountable for things that they have done, things that have happened in their ministry. I am asking you about a specific letter that was sent to me.

Yesterday we dealt with a good number of specifics. We went into the Shoal Lake mining development, we talked about gas prices, the Red Lake emergency closure, we talked about mine closures, unemployment, youth outmigration, and we dealt with a lot of specifics in terms of those initiatives from your ministry. What I want to deal with today is a very specific letter that came to my desk under your signature, and I want to know whether you feel you are accountable for the information that was given to me in that letter.

Hon Ms Martel: There is no doubt that yesterday I was pleased to deal with a number of very specific issues that dealt with both concerns and problems that we have experienced in northern Ontario and in the mining sector with our mining clients, and I tried to respond as best I could to those specific issues by outlining which of those challenges we had been able to meet, what kind of programs we have been putting forward to meet them and what some of the challenges are that continue to remain that we need to deal with in conjunction with our stakeholders on those issues.

However, I do think I also made it very clear that with respect to the issue which you would like to raise with me today, that is a specific issue that has been dealt with by a third party. I will not be using this forum to respond to any of those specifics. I do believe that the third party, which was an independent third party, reviewed the matter very thoroughly over a four-month period. We had

input into that process, we participated in that process, and this week that third party has made a recommendation to us which we have given every assurance to the commission we will undertake to respond to, and as soon as possible.

So for my part, I'm certainly prepared to answer as best I can every and any of the questions that you want to raise or that others want to raise with respect to issues affecting northerners and issues affecting our mining clients, but I am not prepared to use the estimates process to review any of the details of the case. I think that would fly in the face of the process that was undertaken by the third party and fly in the face of what our intent is, which is to implement the recommendation as soon as we can.

The Chair: Minister, the Chair really must suggest here for the record that the matters being raised are definitely within the purview of this committee. I want that to be understood clearly. You have the right to choose not to respond to the questions, but I'm concerned—I have to be, on behalf of the committee—when a minister comes forward to say, in her opinion, she doesn't think the process warrants further investigation by her. That is a determination for this committee, an all-party committee of the Legislature charged with the responsibility of looking at all and any expenditures of a given ministry and the minister responsible.

I don't want the record to suggest that you have the right to suggest that this is not appropriate in estimates. That falls with the jurisdiction of the Chair to rule and for the committee to determine and the standing orders to clarify. So you have the right, as every citizen in this province does, to refuse to answer a question. This is not a judicial body; it is just a legislative body charged with the responsibility of pursuing these matters. Just for the record, that's why I cannot rule Mr Miclash out of order with his questions, because he's perfectly in order to ask these questions.

I just wish that to be clarified, because I don't wish there to be any misunderstanding about the authority of this committee to inquire in this matter. If I might, as I've stated earlier, because the matter has been reported, it is now fully within the purview of this committee. It is not under any current criminal investigations, it is not currently before any tribunal, and therefore the standing orders specifically say that we can raise all and any questions regarding it. I just wanted that to be clarified for the record.

Hon Ms Martel: My apologies, Mr Chair. I thought I said that I personally felt this was not the forum to raise it in. If I did not make that clear, I'd like to do so now.

The Chair: Your opinion is interesting, but it is the right of these members to ask these questions.

Hon Ms Martel: I understand.

Mr Miclash: Thank you very much for that clarification, Chair.

Minister, in your response you said that we were here to deal with issues involving clients of the mining industry. Do you not feel that Charles Ficner is a client who is involved in the mining industry in this province?

Hon Ms Martel: As I said earlier, Mr Miclash, for me personally the matter has been dealt with by a third party. That is our feeling as well within the ministry. Again, there was a great level of investigation that was undertaken by the third party as a consequence of the complaint that was raised and I do believe that after that thorough examination, which we had participation in, a ruling was made which we accept and which we as a ministry will abide by.

We also take very seriously the single recommendation that was made, which was to ensure that all of our staff, whether it be by increased training etc, should be made very clear as to how to deal with the release of any personal information in compliance with and within the spirit of the privacy act.

We have been talking to at least one other ministry as to what kinds of training programs we might need to make that clearer to our staff, who within the ministry should be part of that process to be sure we have covered everyone who might deal with any type of disclosure, and we have undertaken as well to say very clearly to the commission as early as three weeks ago, when the draft was released, that we would do this as soon as possible and we would certainly provide to the commission's office a listing of what we had done within the six-month time period.

That is what we have done, and for me personally that is how we're going to respond. I choose not to use this forum to review that or revise it or make comments on the recommendation or what happened or the information that was disclosed any further.

Mr Miclash: Minister, when you talk about the investigation, we know it was a four-month investigation which found that the letter sent to me under your signature violated the Ontario privacy act, and we know that it disclosed personal financial information about the person we are talking about. It also suggested that you divulged the information that only your ministry could have known from its files. Minister, do you agree that you have broken the law in this case?

Hon Ms Martel: Mr Miclash, as I said yesterday during the questioning that came from the opposition, and I am repeating again this morning for the benefit of all members, I will not be using this forum to continue to try or retry this case. I think that has already been done by the third party who was involved. I do believe that what is most important for myself now as minister, and for the ministry staff, is to get down to the business of dealing with the recommendation that was made to us by the privacy commissioner. We have certainly begun that process of trying to respond in the way that we think we should be and the way that we have been asked to, and we will be very sure to have any and all of the processes that we have put in place then given to the commissioner within the six-month period that he has asked for it.

Mr Murray J. Elston (Bruce): I wonder if I can ask the minister how many times her ministry writes letters to people indicating what its opinion is of the value of real estate holdings in the province of Ontario.

Hon Ms Martel: As I said in general terms yesterday when I was responding to questions on this, Mr Elston,

each of us in the ministry, and the staff as well, are cognizant of all of the acts that we operate under, not only freedom of privacy but every other. Any of the information we release either verbally or in written form takes that into account so that the ministry staff are dealing with people in a way that respects any information we may have that may come under the privacy—

Mr Elston: Thank you very much. Over the last eight months, how many times has your signature been on a letter that has opined on the value of real estate holdings of individual clients in your ministry?

Hon Ms Martel: Mr Elston, I do believe that you're trying to get me in a roundabout way to deal with the case that's been dealt with by the third party.

Mr Elston: No, I'm asking you for general information about how many times your ministry tells the public what it believes the value of real estate holdings is in the province.

Hon Ms Martel: Mr Elston, as you can appreciate, information goes out from the ministry in a number of ways. In terms of all of the correspondence we send out to people, I couldn't give you any idea at all of all the correspondence that goes out to people and the information that's contained—

Mr Elston: Is it normal for the ministry to tell third parties what you believe the holdings of your clients are worth?

Hon Ms Martel: As a matter of fact, we do provide information to municipalities for planning purposes. We are required to do that, because in terms of their planning subdivisions and in terms of their developing official plans, we must as a ministry provide information to the same with respect to mineral potentials on lands they are requesting. So as a matter of course, we do that.

1040

Mr Elston: For official public business, you provide them with that information because they can call on you to provide some valuation. How many times would you write to MPPs telling them that your clients in the mining section of your ministry have land holdings which are worthless?

Hon Ms Martel: Mr Elston, as I said, I really do believe that what you are attempting to do is bring me back to the issue that I think has been dealt with.

Mr Elston: You're darned right I am.

Hon Ms Martel: As I said earlier, I really do believe that the issue of disclosure of personal information that was related to the case that was dealt with by the commissioner has been dealt with by the commissioner.

Mr Elston: We know that you did it at least in one case. Is it a general operation of your ministry to send out letters to MPPs and other third parties which say that your mining clients' holdings are worthless?

Hon Ms Martel: As I said in general terms yesterday, we respond to inquiries on a number of levels from a number of MPPs, clients. Those requests are verbal. They are also in written form. The full extent of everything that goes out from the ministry on every issue, I couldn't respond to here today.

Mr Miclash: Minister, the privacy commission found that the disclosure that was given to me via the letter—again, I go back to the letter of 1993—broke the law. Do you believe that you have broken the law?

Hon Ms Martel: Mr Miclash, I have stated a number of times, and I'll go through this again for you, I do believe that the issue of disclosure in terms of the complaint that was raised by a complainant to a third party has been dealt with in a full fashion and in an adequate fashion by the privacy commission, and what we will do as a ministry and what we have done is to accept that.

As early as three weeks ago I asked the deputy to begin to look at what policies and procedures we could put in place, what training might be required to ensure that all of the staff continue to deal with our clients and continue to deal with the disclosure of information in a way that complied with this act and all others that we are expected to abide by, both as a ministry and as an MPP, and that's what we will do. For me, implementation of this aim is the most important issue that is before us right now.

Mr Miclash: I guess my question requires a "yes" or a "no." We have the commission stating that the disclosure broke the law. Do you agree or do you not agree with the commissioner's ruling?

Mr Jim Wiseman (Durham West): We have courts for that.

Mr Miclash: Yes or no?

Hon Ms Martel: Mr Miclash, the commissioner has made a recommendation to us which states very clearly that we take all of the appropriate steps to remind all officials and staff of the requirements of the act in order to ensure that personal information is not disclosed except in compliance with the act. That is the recommendation that was made to us as a consequence of the investigation. We accept that and we are undertaking it.

Any of the issues, any of the concerns, any of the arguments, any of the proposals that were put forward by the ministry to the commission during the course of the investigation so as to outline our rationale for the letter and the information that was disclosed I do believe is a matter that has been dealt with. I do not intend myself, personally, to use this time this morning to review that, to make comment as to whether or not I agree with the finding, to make comment as to whether or not we thought we were or were not in compliance etc.

I do believe that the matter has been fully investigated, that a ruling has been made. We accept the ruling that has been made and we will undertake to live up to the recommendation that has been made as soon as possible and as fully as possible.

Mr Miclash: Just one very brief final question, Minister: Can Mr Ficner expect an apology from you?

Hon Ms Martel: As I said earlier, I really do believe that in terms of all of the contents of this issue, which has been dealt with, I do not intend to respond to questions or review or relive this or retry the case or anything else.

I think what is most important to our ministry and to

people is that we have accepted the report that has been given to us, and we intend to deal with the recommendation in as full a way as possible and report back to the commission within the six-month time frame what we have done in that regard to ensure that all staff deal with disclosure of personal information in a manner that complies with the spirit and the intent of this act and all others that we have to abide by.

Mr Gary Carr (Oakville South): Good morning, Minister. Thank you for coming. I appreciate the opportunity to ask a few questions on your ministry, and we welcome you back.

I'd like to start off, because there's a whole bunch of issues, and I had the opportunity to spend a couple of weeks up in northern Ontario with a couple of the other members on Bill 171, so I'd like to spend some time on that.

I'd like to start by getting into the same thing the Liberals talked about, with just a couple of brief questions. In most ministries, the legal department is shown in the estimates book as "legal." Yours, in the estimates book, does not. I take it the legal people come under the "corporate services division" in the boxes that are listed in the estimates. Do you know where they would fall in the flow chart?

Hon Ms Martel: If you don't mind, Mr Carr, may I ask Louise Paquette? She's the assistant deputy minister on the corporate services side.

The Chair: Ms Paquette, please come forward in front of a microphone. You have been introduced for purposes of Hansard and you were present to hear the question, so please respond.

Ms Louise Paquette: I'm Louise Paquette, assistant deputy minister of corporate services division. The legal service branch reports directly to the deputy minister.

Mr Carr: They aren't shown in the charts here, in the various boxes. As you know, you've got corporate services—and they all report to the deputy minister. How come they aren't shown as reporting to the deputy minister? Do you know?

Ms Paquette: Can I have a copy of what it is you're looking at?

Mr Carr: It's page 4 of the estimates book. You can use mine and then give it back, if you could.

The Chair: Could we find somebody in the ministry to provide the assistant deputy minister with a copy of her own estimates, please, and Mr Carr can have his copy back.

Mr Carr: It doesn't show legal people. I just wondered—

Ms Paquette: Actually, it doesn't show legal services or the employment equity office, which both report directly to the deputy.

Mr Carr: Okay. The reason I asked that is that in most of the ministry estimates it wasn't in there, and as you know, the problems you encountered were with the legal department, and I don't know if there's any reason that the legal in your ministry seems to be—I guess there are different reporting structures. I don't know. Looking

at the other ministries, I don't think they're shown as a box for most of the ministries. The question I want to ask you is whether any of the people in your legal services, as a result of the problems they created, have been relieved of their duties? Has anybody been fired as a result of this?

Ms Paquette: No, they have not, Mr Carr.

Mr Carr: Have there been any types of reprimands for the people? Obviously, they made a mistake. What has been done with those people? Has there been any formal reprimand of those people, and what type of disciplinary action have you taken with the legal people who made this mistake?

Hon Ms Martel: Mr Carr, if I might, I don't think I look at it in quite that way. In my opinion, a number of people were involved in the process. I don't believe I would pick and choose one or the other to blame. I don't think that's correct.

Obviously, what we have tried to do is to say as a group that we need to deal in a most effective way with the problem that has been before us, and our responsibility right now, to the ministry and to the public, is to make sure that each of us is, again, made very much aware of all of the requirements and the provisions of the Freedom of Information and Protection of Privacy Act, of what needs to be done to ensure that disclosure of any personal information by staff at any level who are involved in that is done in a way that is in compliance with the act.

1050

Mr Carr: So nobody has received any reprimands as a result of this. As you know, traditionally the minister has been held responsible for anything that happens in his or her ministry. The ministerial responsibility tradition goes back many years. What it basically says is that you're responsible for anything that goes on in your ministry, whether you knew about it or not. In this case obviously you did. Do you still believe and agree that ultimately, to use the phrase, "The buck stops with you," anything that happens in your ministry should be your responsibility? Do you still believe in that principle?

Hon Ms Martel: I think where we are, Mr Carr, is that when this investigation was undertaken, as you know, it was a very thorough one. The decision that I have made, which has been communicated to the deputy, is that I believe what is most important for all of us right now is to take the recommendation that has been made by the commissioner and ensure that we comply with it in all shapes and forms.

For their part, the deputy and the freedom of information coordinator have begun some discussions with another ministry that deals more directly with FOI issues and policies and procedures and are working with them now to determine what kinds of training programs we might need, who among the staff should receive those and what other procedures might be put in place so that we make sure we comply and disclosure is always in compliance with the act. They have begun that process already as a consequence of seeing the recommendation in the draft report three weeks ago. We will have all of

that in place and we will report to the commission about our efforts in that regard within the six-month time frame they have laid out for us.

Mr Carr: As you know, I sat on the justice committee when the Premier brought in his conflict guidelines and made a big—I guess the word isn't splash, but spent a great deal of time after he was initially elected saying he had the toughest guidelines around. As we've seen on numerous issues since that time, if you break the guidelines it doesn't matter. What I would like to know is, as a cabinet minister, and you've held various cabinet positions, regarding the Premier's conflict guidelines, there have been problems with yourself and other ministers not meeting these guidelines, and I think one of two things has happened: (1) Either the Premier hasn't clearly, to his ministers, outlined what his guidelines are, or (2) the minister is new and just made mistakes for whatever reason.

I'd like to ask you, in your capacity as the minister, how the Premier advised you of his guidelines. Was there a formal seminar done where you got to ask questions or did he just give you the report and let you read it? How did he convey to you what he would expect from you as a cabinet minister?

Hon Ms Martel: In a general sense, Mr Carr?

Mr Carr: Yes, in general and, if you could be specific, if he did say, "We'll have a cabinet meeting or a cabinet get-together," where they sat down and went through the guidelines or whatever is done, so that he told you exactly what your responsibilities would be.

Hon Ms Martel: You will appreciate, of course, that I do think discussions that go on between the Premier and cabinet, regardless of what those discussions are, are probably matters of a private nature which I would not want to disclose publicly, nor do I think I should. Let me say, though, in general terms that all of us have a copy of the guidelines. Clearly, we have all gone through them and looked at them and clearly we all try as best we can to live with them and to operate under them in the manner that we think they should be operated under, which is compliance. But that is in very general terms. Any other discussions that may have occurred with respect to those between the Premier and cabinet I think are really matters between the Premier and the cabinet.

Mr Carr: Let me ask you this, then. As I maintain, either one of two things didn't happen: Either (1) he didn't convey to you and the cabinet ministers who have had problems what his guidelines were, or (2) the cabinet ministers knew and made mistakes, didn't understand them for whatever reason. You can probably answer this question: Did you feel that the Premier gave you enough information to follow the guidelines or was it "his fault" by not giving you enough information? It can only be one of two things. What would you feel it would be: He didn't give you the information correctly, or he gave it to you and for whatever reasons it just didn't get complied with?

Hon Ms Martel: Mr Carr, all of the cabinet ministers in this current cabinet have the Premier's guidelines. As I said earlier, I think each of us tries to deal with those and operate with them and undertake to abide by them in

the best way that we can at all times.

Mr Carr: I'll ask one, and it's similar to Frank's and then I'll move on to another topic. In the Premier's first throne speech he said, "When we make mistakes, we will admit them." I think the public realizes that numerous mistakes are made by politicians of all political stripes. That's probably an understatement, I guess.

One of the things we were hoping for from this government was that when there was a mistake made, there would be an admission of it and, if necessary, an apology. You said there won't be an apology as a result of this incident and I'm just wondering if we could go back. I think it would be helpful if an apology was given to the individual and I'm wondering why, when it was put in the throne speech as one of the ideals of this government, an apology wouldn't be given to this individual under the circumstances.

Hon Ms Martel: Mr Carr, as I've tried to relate both to the media and to members in this committee, I do not want to deal with the specifics of the issue in any way, shape or form for the reasons that I've outlined.

What I do think the most important thing for us to be doing is to be responding in as clear a way as we can to the recommendation that has been made by the commissioner. I think that is the most important thing for us to do, in terms of making very clear and making very sure that our own staff understand clearly the rules and operating procedures around the disclosure of public information and make sure that's in compliance with the act.

I think we need to do that for public purposes as well so that the public very clearly understands that as a consequence of this issue, where a complaint was raised, the ministry is very seriously taking the matter to heart and is doing everything it can to ensure that every bit of information that goes out, either in a verbal or a written form, from this point on will be dealt with in a manner that the commission can understand adheres to all of the acts and all of the guidelines that we have to live under.

Mr Carr: I'm not too familiar, not being a lawyer, but legally there may be some reasons that an apology may be some type of admission of guilt. Have you received any legal opinion from your ministry that you shouldn't apologize because of the fact that it may be some type of admission of guilt? Have you received legal advice that you shouldn't apologize?

Hon Ms Martel: I've not asked for any legal opinion or have been offered one gratuitously by anyone with respect to the matters at hand.

What I believe and what I am trying to convey to all of the members of the committee is what I think is the most important thing to be done now as a consequence of the ruling that has been made by the commission. Clearly what I believe is the most important thing is to deal with the recommendation in the most effective way possible and in as timely a manner as possible to make it very clear to the commissioner that we are complying and to make it clear to the public we are trying to represent that we are complying as well.

Mr Carr: You mentioned that there hadn't been any

reprimand of any of the individuals involved. One of the concerns may be, and I will say this not being a lawyer—from what many people tell me, a first-year law student would know not to give the legal opinion that was given. Notwithstanding that, what changes have you made within the ministry now, whether it be in dealing with a deputy minister, to make sure that problems like this don't happen again? Not only issues relating to privacy but the whole issue of the competence of your legal staff I think goes to the very question as a result of this.

As you know, you said there haven't been any firings; there hasn't been any reprimand. How can you come before this committee and ensure us now that you feel that your legal department is, to use a slogan, up to snuff here? They've made very, very serious mistakes. You said nobody has been relieved of duties or fired as a result of these grave mistakes. What have you done to ensure that incidents like this won't happen again in your ministry, not only as they relate to privacy but the whole legal department? Are you confident that they are now going to be able to do their job?

Hon Ms Martel: Both the legal department and staff within the ministry will be dealing with the requirements of this act and any others that we deal with. What the legal staff and the FOI coordinator within the ministry have done, in conjunction with the deputy, is to approach the freedom of information branch within Management Board services, because they provide, as I understand, the greatest amount of service to all of the ministries with respect to dealing with freedom of information matters.

1100

As a consequence of seeing the draft recommendations some three weeks ago, contacts have been made with them to that branch to determine what kinds of implementation policies and procedures we might need in the ministry to comply; are there training packages available which we could use with our staff who deal with disclosure of information; who of the staff within the Ministry of Northern Development and Mines should be receiving that particular training, and why? All of those discussions have been initiated with that branch of that ministry at this time to get its best advice.

It is certainly my sense that all the people involved in that, including the legal staff, are very cognizant of the recommendation that was made by the commissioner and very clearly want to be sure that we undertake all of the steps necessary as an entire ministry to deal with that recommendation. They very much, as much as I do, want to be sure that we can signal to the commissioner and to the public that we have undertaken every and all of the steps possible to ensure that personal information is never again disclosed in a way which might contravene this or any other act we operate under as a ministry.

Mr Carr: How many people are on legal staff in your ministry?

Hon Ms Martel: There are three.

Mr Carr: I take it all three were involved in this discussion?

Hon Ms Martel: I am going back to a discussion that went on with Mr Stepinac yesterday. I do believe he was

directly involved and there was one other lawyer within the branch who would be dealing with some mining issues as well. However, Mr Carr, to be honest with you, it's not my recollection whether or not Mr Stepinac clearly said yesterday that he and the other individual had been involved or it was he himself, and I would have to check that with him; I'm sorry.

Mr Carr: In terms of the political staff, as we call them, the ones who are involved in that, there would have been how many involved in this decision as well?

Hon Ms Martel: Mr Carr, there were a number of people who were involved in all of the matters that went on and all of those people will be involved in dealing with the freedom of information branch of Management Board services to be sure that all of us act in compliance with the law. Certainly, it is our hope that not only those people who were involved but some other people who deal with our clients on a fairly regular basis will undergo whatever training we are told is necessary in order to be sure that all of us are very cognizant of what our responsibilities are and that we undertake them in a way that is consistent with the requirements of the act.

Mr Carr: Our problem is less, I think, when I look at it, the legal staff. Notwithstanding the opinion, I would have thought it would have been the political staff that would have said, "This isn't right; we shouldn't do it," notwithstanding whether it's legal. The legal people sometimes look at issues as black and white and say, "Technically you can do it, or technically you can't." I would have thought it would be the political staff who would have looked at it and said: "Hey, we can't do this. This isn't right." They're the people I believe ultimately were responsible as well. Then, falling back on the that, I believe, as I said earlier, in the principles of ministerial responsibility, that if a ministry makes mistakes as blatant as this one was, the minister responsible should resign. I think that's why the tradition has gone on in this place that somebody somewhere has to be responsible for it.

What we've heard here is that not only do you not take responsibility by resigning, but nobody in your ministry has even been reprimanded as a result of it. Are you now reviewing that to take a look at reprimanding any of the people or is the case, in your mind, closed with regard to the staff and their actions upon this issue?

Hon Ms Martel: The action that we are undertaking within the ministry is the one that I have outlined, Mr Carr. That is to have the deputy and the freedom of information coordinator for the ministry deal directly with Management Board and their freedom of information branch to determine how best we can respond to the recommendation that has been put to us by the privacy commissioner. That is what we are attempting to do and we are attempting to do that in as timely and as effective a manner as possible.

Mr Carr: I will move on to—

The Chair: Final question, Mr Carr.

Mr Carr: Final question? Okay. I'll move on to another issue then. I spent some time, as I mentioned, on the Crown Forest Sustainability Act, Bill 171. We spent a great deal of time. We were in Kapuskasing, Thunder

Bay, Espanola with Frank—and I think Gilles was there, as well. When we were up there, I asked the question to all—and, as you know, the forest industry in northern Ontario is the biggest employer in Kapuskasing and various communities. I asked Spruce Falls Inc, I asked Avenor and E.B. Eddy whether we should pass the bill. As you would know, it falls under the Ministry of Natural Resources; your ministry would be working very closely with the minister in that ministry.

They all said to me—and I passed this along to the minister because, as you may know, we were up in his riding of Fort Frances and had a lovely day up there—I passed their presentations on. As you know, Spruce Falls Inc was very involved in that one in Kapuskasing, the biggest employer; each of those three companies, major, major employers, when I asked the question, as Mr Bisson would remember, “Should we pass this bill?” they all said no.

As the Minister of Northern Development and Mines, I would like to know your comments on the bill and what your ministry has done in conjunction with the ministry responsible, because these three major employers have said this bill should not pass. Would you like to comment on the bill and how your ministry sees it and why your ministry would be supporting something when the three major employers in each of those areas—and I use them as example, I didn't even get into the natives in Mr Hampton's own riding—said, “Don't pass it,” and a number of environmental groups. Would you like to give a comment on your ministry regarding that bill and why we should pass it when all these people are opposed to it?

Hon Ms Martel: Maybe I can go back and make reference first to Mr Hampton's riding because about 10 days ago, two weeks ago actually today, we were in the riding and he was signing an agreement with Rainy River Forest Products, which used to be formerly Boise Cascade, which is the largest employer by far in Fort Frances, a major pulp and paper town. In that respect, the agreement was to sign on to the new stumpage system and to accept all of the responsibilities that would logically flow to them as a consequence of the passage of this act.

I must say at the time, Mr Carr, that the company was very excited about the opportunities they saw under the act with respect to them knowing very clearly what kind of dedicated funding from stumpage fees would now be allocated to forest management throughout their allocations, because for planning purposes it was going to make it very easy for them to plan on five- and 10-year cycles.

The problem they have continuously had, both under the act and with respect to stumpage fees, is that they have never been sure how much money the crown was going to be able to get through the ministry and through the estimates process to allow for reforestation and regeneration efforts. They also clearly told us they felt they were more than capable of doing their reforestation in compliance with any of the standards and regulations that the ministry would set under the Crown Timber Act and, in fact, were more than willing to expose themselves and their limits and all of their plans to any independent

audit the ministry might put before them.

When we talk about employers of major pulp and paper companies across northern Ontario, I do think that what we have seen and I do believe what we are going to continue to see, is a split even within that industry with respect to how to deal with this act in support of it.

I can also say that I know from discussions the ministry has been having with other interest groups and other forest users, that in fact there appears to be a broad range of support. I understand that the sawmill industry, through the Ontario Lumber Manufacturers' Association, is in agreement with the act and will be participating on the planning teams that will deal with the regulations. I understand that those meetings were occurring this week, as a matter of fact, and that with some minor changes they were going to be fully supportive. I believe you've got a split within the forest products industry on how to deal with the bill.

What I like about it and what I think, as minister, is important to support, are two things: the trust funds themselves. Given that our own ministry has had to go a number of times through the estimates process, and given that if we cannot on every occasion provide certainty to our clients with respect to levels of funding they are going to receive in any given year for any project, what I like about the trust funds is that there will be a dedicated source of funds coming from the industry that will go back into the industry for regeneration purposes, and I think that has been a long time in coming in Ontario and it's an important piece of legislation, an important part of the bill that we need to implement.

1110

Secondly, I like the idea of the planning committees because what we have found in terms of dealing at least with the communities that have been in crisis in northern Ontario like Kapuskasing and others, is that a number of players can come together in a community for the benefit of the community to ensure that the community has a long-term survival and viability. I think the public as the trustees of the natural resource have a role to play and they have a responsibility in how the forest will be used and I look forward to that kind of public participation which again I think has been a long time coming in the province.

In summary, there are aspects of it which I very much appreciate from a political and a philosophical point of view, and because of the experience we have had in this province around forestry issues. Secondly, I believe that the forest industry as an industry is not unanimous with respect to its approach to this piece of legislation and I outlined one major pulp and paper company that I know of that has already signed on and is in agreement. Thirdly, I think major change, and this is a major change, is difficult under any circumstance and I think that what we have to do is work with all of the companies that are involved to work through it, because I think the benefits I can see in this legislation far outweigh any of the things that are negative in it.

Mr Bisson: Just on that note, as you would know as of yesterday because of the sustainable forestry initiative the government has undertaken, I had the privilege

yesterday of announcing a brand-new expansion to a waferboard mill in my community through Malette Lumber. If it hadn't been for that initiative, quite frankly, this being the fifth new mill that will be constructed in northern Ontario, the first in 15 years, it wouldn't have happened if it hadn't been for that particular initiative and I'm certainly thankful that the Ministry of Natural Resources and the government took that direction.

However, I'd like to get back to mining because there are a couple of things that I think—a line of questioning I'd like to ask.

You would know about three or four years ago, a group of concerned citizens came together under Save Our North. There were a number of initiatives that they wanted this minister and this ministry to undertake in order to upgrade the ability of the industry to deal with exploration issues, and deal with development issues so that it would become a friendlier environment out there when it comes to being able to raise the amount of money necessary, the millions of dollars necessary for exploration just to find the one mine.

There were a number of issues that were raised by this group, the Save Our North group, led by Steve Perry at the time, the head of Save Our North. I bring welcomes and hellos from Steve Perry. Steve sends you his best wishes and as mentioned before, feels that you are doing a great job when it comes to mining and I think that most of the mining industry, as you and I and others have indicated in the past—but there are a number of points that they asked, the first being that the minister undertake a process by which to try to educate the population of Ontario of the importance of the mining industry. I wonder if you can update this committee as to how the ministry has done with that and what that has led to, and I have a number of other questions after, so if you can try to be succinct in your answers.

Hon Ms Martel: Thank you, Mr Bisson. In terms of public education of the importance of the industry to the economy of Ontario, we tried to do a couple of things, some in conjunction with the industry, some on our own as a ministry. First of all, two years ago in November we undertook a major TV advertising campaign which was displayed entirely in southern Ontario. It ran for six weeks in southern Ontario during September and October.

The purpose of the three TV ads that were on the television were to make the public aware of the products that are produced by the mineral industry and what our daily lives would be like if indeed those products were not there. They were very visual displays of products being removed from a car, being removed from the SkyDome for example, all products in the mining industry and what you had left when all of those things were gone, which was not much, as you can well imagine. That was at a cost of \$250,000.

We had contracted Decima to do some polling for us because we wanted to know whether or not public opinion was changed in southern Ontario in particular after seeing the ads, and we did find to a large extent that people's view and their interest and their support of the industry did change, and did become much more positive when they realized all the products that were in use and

of value in terms of employment that the industry was making.

We have suggested that the Mining Association of Canada use our ads or develop some like them because of the response that we found from the public through Decima. They have a committee that's been looking at promotion in a positive way of the industry and we have made both the ads available to them and the results from Decima, so that they might undertake to do that themselves. We certainly also said that if they are interested in doing something else in a joint venture with respect to us in Ontario, we'd be pleased to participate again.

Secondly, one of the things we have found is we do need to talk to young people very directly about the importance of this industry because how they view it will then develop how they support or do not support public policy in the future. In northern Ontario, the ministry itself developed educational kits for the elementary school panel which talk about the importance of mining and give advice to school teachers on how to, in a very interactive way, provide this information to students.

Last year at the prospectors and developers convention in March, I also announced that we were entering into a joint venture with the PDA to do the same thing in southern Ontario. In that case, the education kits will be for science teachers in the secondary school panel. Those are being worked on at this time, and we hope that in the next number of months they will be available for distribution across high schools in southern Ontario.

Thirdly, we undertook a project this summer through the Northern Ontario Development Agreement, or funds from that NODA pool of money. This was in conjunction with McDonald's Restaurants. What we did was develop tray liners in McDonald's that had a specific focus on mining. There were games and puzzles on the tray liners that targeted children to get them to think about goods and services and products at home, like toothpaste etc that came from the mining industry in some way, shape or form. We had about 380,000 of those tray liners distributed in a number of regions in northern Ontario and through the McDonald's on Highway 400 because it is one of the busiest in the province.

We have tried to do that on an international scale. The ministry and myself on occasion have participated in a number of stone exhibitions on the dimensional stone side and we were also in Florida last year at a conference of about 1,200 delegates to try and encourage Ontario investors to put their money back in. Through that process, we developed a promotional brochure which is quite extensive, listing all of the properties that we have, the value of the production, where producing mines are, all of our legislation etc, so that potential clients can be very clearly aware of the legislative requirements to establish in Ontario and the mineral potential.

Those are some of the things we tried to do on the promotional front.

Mr Bisson: Just as a bit of feedback in regard to the kits that you talk about, I know the mining industry and people in exploration in general have been going back into the schools, at least, in my community, and there is a recognition, I think, within the student population of the

importance. It's unfortunate, quite frankly, that the mining industry didn't start that whole process some years ago. I think sometimes because of their success, they didn't get the opportunity to get out there and do the kinds of things they needed to do in order to show what they are actually doing in mining.

The other thing you should know, because I don't know if this has ever been fed back to you, is the role that the ministry played and you played in the conference in the United States last spring. There's been a lot of people in industry who have come to me and said that the role Ontario played there was a very positive one and really gave investors and people in mining a sort of a—"We've got to look again at Ontario. This is a lot better than we thought it was." It's really starting to pay off. You're starting to see a lot of interest coming back in.

You talked about regulation. One of the big issues, I think it was the biggest one, as you know during the Hagersville tire fire, the then-Liberal government had made amendments in the Environmental Protection Act to deal with the very real problem that happened in Hagersville. Unfortunately, in rushing through and putting that legislation through there wasn't enough thought put around what that would mean for liability for owners of mining properties in regard to past environmental sins. It was causing quite a bit of concern in regard to—first of all, for people to know that the best place to find a mine is under a new one.

If there was a mine in operation some years ago and it closed down, it could be that back then the grades were not high enough because of the recovery technology to make it profitable. With prices being higher and recovery technology being better, it's a great place to be looking for new mines. Unfortunately, the way the legislation had been redrafted, it really limited the ability of explorationists to do any kind of work on those properties and quite frankly was barring them from really doing the work that needed to be done there.

I'm wondering if you can bring up to date the committee and those that are watching about what the ministry did directly in regard to being able to deal with those particular requirements under Bill 220 and the amendments that the Liberals had made?

1120

Hon Ms Martel: The problem with the act the way it was drafted—and it was in response to a particular scenario that was an emergency in the province, I think, at the time when the legislation was dealt with. Everyone recognized that and supported it because of that. The spinoff and the ramifications have been particularly difficult in the mining industry but also in the investment community, because a number of investors, not only those who are investing in mining operations but a number of other industrial operations in the province, have a concern about the extent of their liability and, as a consequence, make decisions to provide or not to provide funds based on what they think their liability is going to be.

We have moved a part of the way in addressing this issue with a change in the regulation that was made to Bill 220. The change is as follows; that any individual

who wants to undertake claim-staking work or preliminary exploration work on a site that has been abandoned that has some form of a liability is not responsible for the liability that was there unless they make it worse because of their own action. So we would not be looking for them to clean up the site or assume responsibility for the site as they found it. If, however, as a consequence of their work, they cause more damage, then indeed they will have to deal with that.

Where a company is asked to assume any form of liability that is on the site is in the case where they decide to bring that property to lease. If a company is making a decision to bring a property to lease and are inclined to do that, it is because they think there is enough potential on that site that they can make a profit and make some money and at the same time use some of the profits to deal with the environmental problem that has been left. At that point the liability becomes very much a part and parcel of their business plan, and would be a cost to them developing and doing business in the province. They would have to make that decision at that point.

Mr Bisson: Just by way of feedback, there's been a very strong recognition on the part of the exploration community of the benefit of that. We're seeing in Timmins, for an example, one of the—I wouldn't say the worst; I don't want to alarm people—but we have a mine called the Kamiskotia mine where the environmental damage done to that site because of the way the mining was done in the past in regard to tailings did a heck of a mess, I guess, to put it lightly, and Falconbridge entered into an agreement with the Ministry of Northern Development and Mines in order to get on to that site to be able to do some exploration because there is some potential there for the discovery of a new mine.

The point I would make is that the comments I've gotten from people involved on that project were very positive towards the way that the ministry, not only because of the change in regulation but I think the change in attitude within the ministry, of rather than being the police out there trying to make things difficult for them, that the ministry was out there trying to work with them through this very difficult problem. I think kudos must go to the ministry staff and the minister in being able to really turn that thing around, because there's a strong recognition.

The other part of it was that there was the whole question of permitting. In the past there was a problem when you were an explorationist going out to do some work on the exploration site on to properties, which means to say you've got to get permits possibly from the Ministry of Labour, the Ministry of Environment and Energy, the Ministry of Natural Resources and Ministry of Northern Development and Mines. The explorationists had to go to a number of different ministry offices to get all of that information together in order to fill out the permits, and then to fill out the actual permits and wait for them to be processed. It was quite a difficulty for them, and one of the demands of the Save Our North group was that the ministry undertake a process in order to have a one-window approach to permitting.

I'm wondering if you can respond to that, but also talk a little bit about another initiative that I understand is coming down the tubes called Clearing the Path, and how the actions of the ministry a couple of years ago in regard to the one-window, and Clearing the Path sort of as an extension to that, has developed and what your assessment of that process has been.

Hon Ms Martel: A couple of things, if I might: In response very directly to concerns that have been raised by Save Our North, the ministry took another look at all of the efforts that a company would have to make in order to get through the permitting process and, as a consequence of that review between ourselves and three other ministries, we were in a position about a year and a half ago to sign three memorandums of understanding between our ministry and the ministries of Labour, Natural Resources and Environment and Energy which recognized the Ministry of Northern Development and Mines as the lead for permitting processes for advanced exploration projects.

As a consequence, our own mineral development officers throughout the branch are then in a position to act as advocates for the proponents for a particular site or operation and are able to work with them to go through and deal with the other ministries to get any of the permits they may need in as timely a fashion as possible.

We recognize that it takes a lot of money to do exploration work in the province. It takes a great deal of money to bring an operation into the province of Ontario, and what we don't want is to have people discouraged because the time it takes to get permits is so long versus other jurisdictions. So that has been very helpful in terms of allowing our staff to act as advocates with other ministries, in terms of our staff being able to give information to their clients about the legislation and what is necessary and to work with them to move them through the process as quickly as possible.

Secondly, an issue that has not been resolved, however, is a concern that the industry has brought back to us with respect to environmental regulation duplication. You will know that we have an EA process in the province of Ontario. Only one operation has ever been designated under it, but there is also a federal environmental assessment process, which could also be applied on any operation in the province. Throughout the time that I've been minister, a number of companies have pointed out to us this dilemma and asked us to work with our federal counterparts to try and resolve it.

Most recently, the Minister of Environment and Energy has written to his federal counterpart again to encourage her to sit down to negotiate with Ontario how we may be able to avoid duplicating processes and how we may have a single approach between the provincial and federal government on the environmental regulation side so that it is very clear to all companies that want to invest in the province what this single process is they have to go through and what the cost will be. We hope to get a positive response from her on that.

Finally, on Clearing the Path, I'm really excited about this because I think that it will send a very clear signal to small businesses in the province etc that the government

is interested in dealing with the duplication on forms, permits and licences that they have to go through in order to deal with having their business develop in this province.

I can tell you that we do, as a ministry, run six self-help centres in northern Ontario. Those are managed by economic development organizations in six different communities, and we fund them. A number of those self-help centres have applied to the Ministry of Economic Development and Trade to have a pilot project for Clearing the Path located in their office, and we are waiting to hear from the Ministry of Economic Development and Trade as to which ones will be able to get that. I think, because the offices are already established and deal with clients and small business, this will be really helpful to them in order to try and have forms filled out and payments made at a single centre but in a number of communities in northern Ontario.

Mr Miclash: Madam Minister, in terms of legal action that could take place against your ministry, what is your policy in terms of fines that may come upon your ministry, being that you're charged and are requested to pay a fine?

Hon Ms Martel: Mr Miclash, I don't think that I'm here to deal in any kind of speculation with respect to any fines that may be levied against this ministry or any type of action, and so I'm really not in a position to answer your question any further.

Mr Miclash: Generally speaking, Minister, is there, within the estimates, money set aside for legal activities, for legal actions against the ministry?

Hon Ms Martel: Mr Miclash, I'm not aware of what funds, if any, would be set aside if there were any legal action of any sort undertaken against the ministry. We could certainly undertake to get back to you with that information as to whether there is some pool set aside; there is not to my knowledge, but I can certainly get some answer back to you.

Mr Miclash: How about the Premier's office? Would the Premier's office have a budget for such things?

Hon Ms Martel: I think that you'd have to talk to the Premier's office about that. I don't know what their budgets are, what their line items are.

Mr Miclash: At this time I would like to call Stewart Kiff, the chief of staff for the minister.

The Chair: Could you please come forward, Mr Kiff. Thank you. Mr Kiff, would you just introduce yourself for the purposes of Hansard, please.

1130

Mr Stewart Kiff: Stewart Kiff, acting chief of staff to Shelley Martel.

Mr Miclash: Mr Kiff, I'm interested in the process of how you prepare for estimates. Are you involved in that process?

Mr Kiff: Yes, I am.

Mr Miclash: During your estimates, how was it decided that my questions regarding the letter that I was sent in May 1993 would not be answered?

Mr Kiff: Mr Miclash, as my minister has discussed at

length already, as she has given the explanations, I too think it is inappropriate to discuss matters that have come before the privacy commissioner. In addition, I think it is inappropriate for me to discuss the advice I've given to my minister here in this forum. If she wants to discuss that, I think you should ask her those questions directly. I think it's inappropriate that I'm being asked these questions.

Mr Miclash: As chief of staff and as a person who I understand makes in the neighbourhood of between \$60,000 and \$84,000 a year, I feel you do have an obligation to this committee as the chief of staff for this ministry, as someone who is responsible to the public.

Mr Kiff: Mr Miclash, I'm not an elected official. I work for a person who is an elected official, who is a spokesperson for the ministry. I give her my best advice at all times, and I ask that you direct those questions to her.

Mr Miclash: Maybe I can go on to some other questions that you may feel would be appropriately directed to yourself. In terms of personal information relating to financial transactions of individuals, how is that information protected within your ministry?

Mr Kiff: I don't understand, sir.

Mr Miclash: As we know, the Freedom of Information and Protection of Privacy Act clearly states that any financial information or transactions of a personal nature must be protected. We know that the Mining Act, for example, requires that detailed records regarding individuals who pay the mining land tax must be protected. What I'm asking you is, how is that information within your ministry protected?

Mr Kiff: I don't directly deal with mining land tax issues. I think those questions are better directed to the minister or other people in the ministry. Frankly, sorry about the pun, I think we're going down lines which are inappropriate for me to discuss, and one of those reasons, I might stress, Mr Miclash, is a personal professional reason. I think the best spokesperson for the activities in the office of Shelley Martel is Shelley Martel herself.

Mr Miclash: Again, I go back to you. Being chief of staff, do you not feel it is your responsibility to ensure that any information that should be protected is outlined? Again, I go back to detailed records regarding individuals. Do you not feel that's part of your responsibility, to ensure that information is protected, and protected in the proper way?

Mr Kiff: Mr Miclash, I've sworn an oath to the crown to do my best in regard to all acts of the Legislature and to perform as best as I possibly can. I think that's the best answer for that. All I can do right now is give you a personal assurance that this is very important to me personally and I take my job very seriously.

Mr Miclash: In taking your job seriously, do you feel it is very important that the information I'm talking about, such as the detailed records regarding individuals who pay mining land tax, is kept private?

Mr Kiff: I don't think it's appropriate for me to be discussing issues which have come before the privacy commissioner.

The Chair: Could I please clarify again for the record, Mr Kiff—I'm sure you were in the room—the matter is no longer before the privacy commissioner. The report is now public. If this hearing occurred last week, it would have been the opinion of the Chair that matters could not be raised before the committee, in accordance with the standing order. So I want to assure you that this committee has asked you forward to respond to questions which are within the purview of the committee to ask. You're aware of that?

Mr Kiff: I understand that and I respect that, Mr Jackson. However, I'm trying to outline that this is my personal opinion, that I don't think this is appropriate, and I don't think for me, personally, this is an appropriate forum for an appraisal of my activities working for the Minister of Northern Development and Mines.

The Chair: Well, I'm here to assure you that it is, and your willingness to cooperate is another matter. Mr Miclash.

Mr Elston: Mr Jackson, if I might. Mr Kiff, you are the acting chief of staff?

Mr Kiff: Yes.

Mr Elston: You are the chief administrative part of the political operation in the Ministry of Northern Development and Mines, is that fair?

Mr Kiff: Actually, I'm not the office manager. We have an office manager.

Mr Elston: No, but you're in charge of the budget and all the activities around the office of the minister, is that right?

Mr Kiff: I don't think that's exactly correct. I don't want to get technical.

Mr Elston: What do you do?

Mr Kiff: I do have final signing authority, if that's what you're asking.

Mr Elston: Yes, signing off expenses that are associated with the operation of the office is in your activity description. So there are budgetary allocations for your operation, is that right?

Mr Kiff: Yes.

Mr Elston: You make decisions, presumably with the minister, as to how you allocate resources, is that right?

Mr Kiff: Yes.

Mr Elston: What was your involvement with people outside your ministry when you discovered that there was a problem with this particular issue? Did you contact the Premier's office?

Mr Kiff: I don't want to appear disrespectful to the Legislature, and I don't want to continually get into going over what I feel is a very fundamental—

Mr Elston: But—

Mr Kiff: If I could just continue, Mr Elston—question here, that it's not appropriate, personally for me, to be responding to these questions. However, I understand that you feel you have good questions and you want to put them to me. I think, though, the appropriate person for you to put your questions to, if anybody, would be the minister.

The Chair: Mr Kiff, you'll confine your responses to the member and the questions. I want to remind you that your minister put your name on the list of staff who are available to this committee today to respond to questions. Are you aware of that, and have you seen this document?

Mr Kiff: I can't see that document from here.

The Chair: It was given to us by the deputy minister, on behalf of the minister, and your name is on it. You are here before us appropriately and with the full compliance and support of your minister. I'd ask you to confine your responses to the questions and not to your opinion of your level of cooperation before the committee.

Mr Kiff: Certainly.

Mr Elston: I think it's clear that some resources have been allocated to dealing with this particular issue. How many people under your charge have been allocated to deal with this issue from time to time? How many hours have you spent in preparation for the estimates in dealing with this particular part?

Mr Kiff: In dealing with the estimates?

Mr Elston: Yes, and this particular issue in the estimates.

Mr Kiff: I think they're separate issues. Do you want two answers?

Mr Elston: No, they're not separate issues. Did you spend any time counselling—I'm not asking for what advice—both your political staff and going over this with the ministry officials as to how you would respond?

Mr Kiff: To the estimates?

Mr Elston: Not just to the estimates but particularly to the issue of the letter that Mr Miclash has been speaking about.

Mr Kiff: I've been working quite hard on the estimates issue for the last two weeks.

Mr Elston: And on the letter issue?

Mr Kiff: On the letter issue, I feel, personally, that it is inappropriate for me to be answering questions on that.

Mr Elston: Has the Premier's office provided any advice to you as chief of staff on the letter issue? That wasn't in front of the freedom of information commissioner, I know, so it seems that you haven't got that excuse to run on that one.

Mr Kiff: I'm not using that excuse.

1140

Mr Elston: Okay. You're not going to answer, though, are you? Can I ask you what you have done with your staff members, and could I receive a copy of the written document that you are circulating, or I hope you have circulated, with respect to keeping privacy among the political staff in your office and the people under your charge?

Mr Kiff: Prior to becoming the chief of staff of Shelley Martel, I was the legislative assistant, and I've worked very hard on freedom of information issues, and we have had a number of briefings on freedom of information issues. That is an important part of being a staff member in a minister's office.

Mr Elston: Did it work in the case of the letter of

May that Mr Miclash has raised? Did all those efforts pay off? Did it break down?

Mr Kiff: Again, I think I have to return to that answer there, since you're into a topic which I think I'm making it clear that I don't—

Mr Elston: I'm just asking if your systems, which you have worked so hard to establish, to protect the privacy of individuals worked in the political office in the case of the Ficner letter. Did it or didn't it? If it didn't work, what are you going to do about it? Really, that was my first question: What are you doing about the problems that you've created—sorry, that have been created? I don't want to point fingers. You may believe that in fact every system worked exactly as you intended it. Do they work?

Mr Kiff: Mr Elston, I must return to my answer—

Mr Elston: Are you going to make any changes to the system with respect to review of the nature of the protection of privacy?

Mr Kiff: If I can complete my answer, Mr Elston, I must return to my original point, that personally I think this is an inappropriate—

Mr Elston: Well, okay, don't bother completing that. You've given us that answer so many times.

Mr Kiff: Well, no, I think I have a right to answer my questions.

The Chair: Mr Kiff, I've ruled on that already. This committee is not interested in your opinion. You can give a straight answer, you can refuse to answer the question, but it is quite unc customary for a senior civil servant in this province to say that in your opinion you don't think a question is warranted when the Chair has ruled that it is.

Ms Sharon Murdock (Sudbury): He's not a civil servant.

Mr Martin: On a point of order, Mr Chair: As a member of this committee, I personally think Mr Kiff's doing quite well and—

The Chair: That's not a point of order, Mr Martin.

Interjections.

The Chair: Mr Elston has the floor.

Mr Elston: How much more time is there left here, do you know?

The Chair: You have seven minutes remaining. I did interrupt Mr Kiff. It was Mr Kiff I was interjecting on and advising him that if he wishes not to answer, state that, but we've heard four times now your opinion. The committee does not need to have that repeated. Mr Kiff, have you finished your response? Then Mr Elston would like the floor back.

Mr Kiff: I don't want to be rude here, but I think I have a right to say my answers the way I think I should. I think I have that right.

Mr Elston: That's fair. I wish to go on. I think, in fairness, it's not worth pursuing that. Could I ask a question of the minister?

Yesterday we had the person who is listed as your director of legal services. It is my understanding that

although he may still be your director, he is no longer associated, or at least physically at your ministry; that he has been moved to another ministry. Is that true?

Hon Ms Martel: Yes, that is correct. That process was under way as a result of a large reorganization that was occurring within the Ministry of the Attorney General with respect to legal staff.

Mr Elston: But he left just prior to this whole event becoming highly public, is that true?

Hon Ms Martel: The reorganization that the AG's staff was undertaking had gone on some time even before this issue was put to the privacy commissioner, so in no way, shape or form do I want this committee to be left with the impression that this was a consequence of his move.

Mr Elston: No, my question is, though, that I understood yesterday when I spoke with Mr Stepinac that he was the director and that he would be in charge of implementing the new systems to protect privacy, and I wasn't given any inkling that he had been reorganized to another ministry. I guess if I'd known that I probably would have said, "So who's going to be responsible for implementing these systems?" So who will be responsible, since Mr Stepinac probably won't be, unless he's going to both act at Ag and Food and at Northern Development? Is that going to be the arrangement?

Hon Ms Martel: It was my understanding that he is in fact going to still be dealing with this issue, because he will still have some links to our ministry. But in order to clarify further, Louise, do you have the answer to this?

Mr Obonsawin: I can answer.

Hon Ms Martel: If I might refer it to the deputy.

The Chair: The deputy can respond, please.

Mr Obonsawin: Basically, I've asked Louise Paquette, who's our ADM of corporate services to take this responsibility on. The minister is very correct when she states that the integration of the reorganization of our legal services with respect to another ministry was on quite some months before this became public. Mr Stepinac has now relocated as the director of legal services to the Ministry of Agriculture, Food and Rural Affairs. I did note in his answers yesterday that he did indicate that he had been a director for legal services for this ministry at this time. He did not address the fact that he had relocated.

Mr Elston: I took from what he said that he was going to be in charge of implementing the new systems, and in fact he said, "I'm working." I asked him, "Who are you talking with to implement these things?" It was clear to me that he was going to be implementing it, but he's not going to be there.

Mr Obonsawin: He's very definitely going to be—we still have not received yet a final replacement for Mr Stepinac from the Ministry of the Attorney General, and so in the interim, in order to ensure consistency and in order to ensure that there is a continuity, I've given the administrative responsibility to the ADM of corporate services. However, I've asked Stephen to help us in the transition period.

Mr Elston: What plans does Ms Paquette have for

implementing the protection of privacy requirements, how many staff people have been allocated to that task and what work have you done to this point? We've been working with this since at least August 11.

The Chair: Ms Paquette, you've already been introduced for Hansard. Please proceed.

Ms Paquette: Mr Elston, the first thing that we have done, obviously, is identify a new ministry FOI coordinator who is being trained, actually today, through Management Board secretariat.

Mr Elston: That person is who?

Ms Paquette: This person will be Ken Shaw, who is presently our director of communications; he will assume that responsibility. I've been in touch with Mr Shaw, as well as Mr Stepinac and the deputy, and discussed what we will do within the ministry. As has been indicated, a program of continuing education is presently being developed to ensure that all areas of the legislation are being addressed. We will certainly, within the next six months, ensure that all staff continue to receive information on the FOI act.

Mr Elston: Mr Chairman, at this time, I wish to move the following motion:

That since the Minister of Northern Development and Mines has failed to take responsibility for her action and has refused to account to the people of Ontario at these estimates; and

Since as a result the minister cannot be trusted to act in the public interest and in a manner that protects the privacy of her ministry's clients; and

Since the north needs a minister free of the cloud of controversy that now hangs over the current minister;

This committee therefore lacks the confidence in the Minister of Northern Development and Mines and that the estimates not be reported.

I ask that we deal with that motion at this point.

The Chair: Mr Elston, it's the Chair's ruling that this motion is out of order since we have a motion on the floor, which is to proceed with the vote of the estimates of the Ministry of Northern Development and Mines.

Mr Elston: There are currently no motions for votes at this point.

The Chair: That is the ruling of the Chair and that is my understanding of the standing orders.

Mr Elston: I accept that, but I wanted to make it clear that at this stage, and I know there will be a motion that asks for the estimates to be reported, the Liberal caucus, and I suspect others, will vote against them being reported, not because of the issue of money being allocated through the bureaucracy, but because we don't have confidence in the political operation that is in charge of the ministry at this point.

We have seen a tremendous amount of activity in areas that have been positive for the ministry. We think the estimates in some places are deficient, we think the activity around the political operation of this whole organization is deficient and we want to make it extremely clear, and this was I guess my best shot at underscoring, how concerned we are about people from the politi-

cal side who just refuse to be accountable in the people's forum.

I wanted to make it clear that there is no confidence in the leadership that has now been here for a day and a half, as indicated on this floor, basically stopping us from examining how this event happened. We can't even examine whether or not there are other difficulties arising as a result of the types of information that are from time to time released. From my standpoint, Mr Chair, I'm discouraged by the unwillingness not only of the minister but also of the balance of the political staff in their view that the people of the province have no right to know what they're doing. I think that's a shameful comment on the operation of this government.

1150

Mr David Johnson (Don Mills): I'm unfortunately just coming in at this late moment, so I apologize if some of the questions have already been asked, but I'm just trying to get a feeling for the procedure of the Ministry of Northern Development and Mines. Certainly, in my former capacity as mayor, I did have the opportunity, as one would expect, to have people approach me with issues on which they disagreed with me, and perhaps disagreed rather forcefully, with positions that I had taken or policies that I was putting forward, that sort of thing.

Mr Elston: Nobody disagrees with you now.

Mr David Johnson: Everybody agrees with me now. Thank you, Mr Member.

Of course, in a situation like this one has to deal with the situation. I'm trying to get a feeling for the approach of your ministry and that you, as the minister, have laid out or perhaps the leadership that you provide in your ministry in terms of dealing with people who may not agree with your particular situation. Is it common, for example, or is it the policy of your ministry, when somebody disagrees with the ministry's position, to contact members of the provincial Parliament and to notify them of the situation in general? Let's just leave it at that as the first part of the question.

Hon Ms Martel: It's the policy of the ministry at all levels to deal with all of our clients in a way that reflects fairness, reasonableness and compliance with any and all of the acts that the ministry needs to abide by and that I need to abide by as an MPP. To the best of our ability, we undertake that in any of the contacts we have with any of our clients, either in northern Ontario or on the mines side, whether in writing or with verbal communication. That is the policy of how the ministry operates in dealing with all of our clients.

Yesterday, in terms of questions with respect to inquiries etc, I also made it clear that this is the same method and the same approach we undertake with respect to any inquiries we receive from folks for information.

Mr David Johnson: Let me be a little more specific then. In a case where a member of the public disagrees with a policy or disagrees with an action of the ministry, would it be the practice to contact, in an unsolicited fashion, members of this Legislature to inform them of the disagreement that an individual has with a policy of the ministry?

Hon Ms Martel: I think there are two separate issues, but they're the same as that I've tried to respond to. With respect to what is the policy of the ministry in dealing with all of our clients and with respect to all of the issues they bring before us, as I said, we attempt to deal with them through all levels of the bureaucracy and the political staff in a way that is fair and that is reasonable and that keeps us in compliance with any and all of the acts we have to deal with.

If, in a general way, we receive requests for information from people with respect to issues that have been raised or that are being raised, whether from MPPs, from our constituents etc, we also attempt to deal with those in the same way and we do attempt to respond to requests for information. I feel that it is the responsibility of myself and my ministry to respond to those requests, be they from MPPs, be they from other clients, and we try to do that, again, within the spirit and the compliance of all the acts that we live under.

Mr David Johnson: Again, if a member of the general public does not agree with the policy that your ministry has pursued, do you feel that there's some obligation on the ministry to try to rally support for that policy in general by contacting members of provincial Parliament and providing information to them unsolicited? I'm talking in the case where members have not requested such information. Do you feel that it's necessary to contact those members and try to get them on side, in a sense, against the position of the property owner or the resident of the province of Ontario who disagrees with the policy that your ministry is putting forward?

Hon Ms Martel: Let me try again: I that I've tried to make clear what our policy is, which is that we deal with our clients and their concerns in a fair, reasonable and equitable way. That is the approach that all of us try to take when we are dealing with our clients, regardless of the issue that is before us and regardless of whether they are clients on the northern development side or on the mines side, the approach that we consistently try and take, and within that approach to be sure that any contact with them or anyone involved in the issue is in a manner that is in compliance with all of the acts.

Mr David Johnson: You may not respond—I have a suspicion you won't—but in the particular case that's obviously being discussed today, Mr Ficner, was there a request from a member of the provincial Parliament to obtain information on that particular issue?

Hon Ms Martel: Before you got here, Mr Johnson, I'd been dealing with this issue. I'll repeat again what I have said with respect to the particular issue that you are raising with me at this point: You will recognize that a complaint was registered against the Ministry of Northern Development and Mines with respect to the particular issue that you want to raise, and during that process of an investigation that was undertaken by a third party our ministry had the opportunity to participate, to present our case, to present our side of the issue, and we did that through that process. Earlier this week, the third party responded and released an official report with respect to that investigation. In it there has been a recommendation that this ministry will undertake to abide by. We have

certainly given every assurance to the commissioner and we have had action that has been undertaken already in response to the draft recommendation. We will ensure that all of the ministry staff who deal with disclosure of any information do that in compliance with the act.

That is where we are with respect to the issue, and I do believe that I personally will not use this forum myself to either attempt to review the facts of the case, the ministry's position with respect to the case or any of the items that I think were carefully and clearly dealt with in the commission's report.

Mr David Johnson: Can I ask you, then, a hypothetical question, in general, in terms of the approach of the ministry? If one of my constituents in Don Mills felt that a tax, let's say, the mining rights tax—that would be appropriate in the riding of Don Mills—if they felt that this particular tax was inappropriately levied, that the tax had gone up a great deal over the last few years and that this was an abuse of the government, and they complained to your ministry directly about this and they were rather persistent, one of my residents in Don Mills was rather persistent in opposition to the way this tax was being handled, would you, in dealing with this individual, as part of the approach of your ministry, would you contact me to indicate that one of my residents had expressed opposition or would you contact any other member of the Legislature to outline that fact?

Hon Ms Martel: It would all depend, I suspect, on who was involved and who had been asked to make the approach to our office. If you were—

Mr David Johnson: Sorry. In some cases you've indicated that you would contact certain members, perhaps myself or perhaps critics, I would gather from your response. What sort of—

Hon Ms Martel: Sorry; if I might, Mr Johnson, let me clarify: I understood you to say that you were contacting us on behalf of your constituents, or it's one of your constituents?

1200

Mr David Johnson: The case I've outlined is that one of my constituents has approached you directly, your ministry directly, and has said: "I do not agree with this tax. This tax is an abuse of the system in the province of Ontario." They've approached your ministry directly. Would you, as the natural course, contact either myself or one of the critics or all of the critics to outline that such an individual had indeed approached your ministry about this tax?

Hon Ms Martel: It would depend on if there were other contacts made, representations on behalf of the constituent.

Mr David Johnson: So in some cases you're saying you would. If you would, what sort of content would you convey to me as the member or what sort of content would you convey to the critics in the course of these communications?

Hon Ms Martel: Of course that would depend on the issue that is at hand. Clearly though, regardless of the issue—and it is the general operating policy of the ministry—we would do everything within our power to

ensure that the content and the information that was released was released in accordance with the Freedom of Information and Protection of Privacy Act and any other act that the ministry abides by. All of the information that we release is done in accordance with those acts.

Mr David Johnson: Who would make the decision that all of this information that would be released to me or the critics would be in conformity? Would it be yourself? Would it be the chief of staff? Who would normally, in such a situation, be the person who would be responsible to ensure compliance?

Hon Ms Martel: Let me respond in general terms: When any of the staff at any level are dealing with our clients and issues that may for any reason whatsoever give them a sense that they may be matters of personal disclosure, all of them certainly know that they should have, and have, available to them the services of the legal staff and the services of the freedom of information coordinator. It is their responsibility as members who are dealing with the clients, any clients who are looking for information, to do that and do that in accordance with the FOI coordinator. It is then up to the FOI coordinator, who obviously would have an understanding of the act, to provide advice to the staff as to what information could be dealt with and how it should be dealt with in accordance and in compliance.

Mr David Johnson: Has there been any formal training within your staff or any formal approach with the privacy commission in terms of ensuring that the staff are (a) aware of the guidelines and (b) has that procedure changed over the last short period of time?

Hon Ms Martel: The staff within the ministry can receive training and do receive training. I understand that it's administered through the freedom of information branch at Management Board services. They provide training sessions, information, advice etc, not only to our ministry staff but to the staffs of all of the ministries with respect to these issues.

Mr David Johnson: Has that procedure changed recently? Has the level or the frequency of training changed in any regard?

Hon Ms Martel: I don't have that answer either. We would have to contact the ministry directly to see if there's been a change. I'm not sure if any of my staff do know. They've been dealing with them most recently to determine how to take an approach to this case. It is not my understanding as to when they change their policies and if they've been changed recently. I think you'd have to talk to them about that directly.

Mr Carr: I'll ask a question now.

The Chair: You have about three minutes left, Mr Carr.

Mr Carr: A couple of minutes ago, you said that in dealing with all your clients you try to be fair, reasonable and equitable, to quote you directly. What happened in this case is that a cabinet office used the full weight of the crown and the cabinet office against an individual. I don't believe that's fair, I don't believe that's reasonable and I don't believe that's equitable. Do you as a minister, and you've said that you clearly want to deal with all

clients in that way, believe that on this issue you have dealt with them in a fair, reasonable and equitable way, as you quote that you would like to?

Hon Ms Martel: I think that I have explained that during the course of the estimates process, Mr Carr. I will explain again here for you: This specific issue that you are wanting to raise with me was one that was referred to the privacy commissioner by the complainant for a review of MNDM practices in this regard. The commission, to its credit, undertook a very long investigation and, I believe, a thorough one. We were invited as a ministry to participate in it and we did.

The commission has most recently, this week, come down with an official report which outlines the case and its review of it. In that report, very clearly they have made a single recommendation to us, which is to be very clear that all of the staff understand that in the disclosure of information that disclosure must be in compliance with all acts. We as a ministry accept that recommendation.

Further, we want to be very clear that, in responding to the commission and to the public, we do undertake any other steps that may be necessary to make sure that we are in compliance.

That is the reason why three weeks ago, when I saw the draft recommendation, I asked the deputy to undertake to look at what might be necessary to deal with this matter further. That is why the ADM has been talking to Management Board secretariat and the freedom of information branch there to determine what training assistance is available and who should have it in the ministry. What we intend to do is respond to the commission within the six-month period, outlining all the steps and activities we've undertaken in this regard.

Mr Carr: We are not going to get the decision changed on this with yourself or the Premier, but I would like to ask, because I have one last, final question, will

you assure the people of this province and the members of this committee that situations like this will never ever happen again in your ministry?

Hon Ms Martel: Mr Carr, I do believe, and I have said this clearly, that we take the recommendation made by the privacy commissioner very seriously. I have stated very publicly and very clearly to the commission that we will do whatever we can and take whatever steps are necessary to comply. That is why we have started to undertake the work we have. We will, within the six-month period that has been outlined to us, make very clear to the commission all of the actions, all of the steps we have taken to ensure that all of our staff who deal with public information and its disclosure do so in compliance with this act and all others that we operate under.

The Chair: Thank you, Minister. This completes the time we've had allocated to us for the 1994-95 estimates of the Ministry of Northern Development and Mines, and it is the Chair's intention to move through the votes at this time.

Shall vote 2401 be approved? All those in favour? Opposed? It's carried.

Shall vote 2402 be approved? All those in favour? Opposed? Carried.

Shall vote 2403 be approved? All those in favour? Opposed? It's carried.

Shall the 1994-95 estimates of the Ministry of Northern Development and Mines be approved? All those in favour? Opposed? It's carried.

Shall the 1994-95 estimates of the Ministry of Northern Development and Mines be reported to the House? All those in favour? Opposed? That's carried.

This meeting stands adjourned.

The committee adjourned at 1208.

CONTENTS

Friday 16 September 1994

Ministry of Northern Development and Mines	E-695
Hon Shelley Martel, minister	
Donald Obonsawin, deputy minister	
Louise Paquette, assistant deputy minister, corporate services division	
Stewart Kiff, acting chief of staff	

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

Vice-Chair / Vice-Président: Arnott, Ted (Wellington PC)

Abel, Donald (Wentworth North/-Nord ND)

***Carr, Gary** (Oakville South/-Sud PC)

Duignan, Noel (Halton North/-Nord ND)

***Elston, Murray J.** (Bruce L)

Fletcher, Derek (Guelph ND)

Hayes, Pat (Essex-Kent ND)

Lessard, Wayne (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

Ramsay, David (Timiskaming L)

***Wiseman, Jim** (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Bisson, Gilles (Cochrane South/-Sud ND) for Mr Duignan

Johnson, David (Don Mills PC) for Mr Arnott

Martin, Tony (Sault Ste Marie ND) for Mr Abel

Miclash, Frank (Kenora L) for Mr Mahoney

Murdock, Sharon (Sudbury ND) for Mr Fletcher

Owens, Stephen (Scarborough Centre ND) for Mr Lessard

Waters, Daniel (Muskoka-Georgian Bay/Muskoka-Baie-Georgienne ND)

for Mr Hayes

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



E-36

E-36

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Third Session, 35th Parliament

**Assemblée législative
de l'Ontario**

Troisième session, 35^e législature

**Official Report
of Debates
(Hansard)**

Tuesday 1 November 1994

**Journal
des débats
(Hansard)**

Mardi 1 novembre 1994

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Management Board Secretariat

Secrétariat du Conseil de gestion

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum



50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 1 November 1994

Mardi 1 novembre 1994

The committee met at 1618 in committee room 2.

MANAGEMENT BOARD SECRETARIAT

The Chair (Mr Cameron Jackson): We are here in accordance with the committee's agenda, as directed through the House leaders, where we are examining for seven and one-half hours the five votes within the Management Board Secretariat.

I'd like to welcome the minister and the deputy minister, but before we proceed I wish to indicate how we're going to order up our time for today. I have been advised that Mr Stockwell, who is the critic for the third party, has a conflict with a committee that he's responsible to upstairs. With the committee's indulgence we will yield that rotational time today and proceed with the time for his commentary tomorrow. Therefore, if the minister is comfortable, he can respond to Ms Caplan and then we'll proceed in rotation for questions. If that's acceptable to the committee at this point, then we will proceed.

Mr Jim Wiseman (Durham West): Just a question: Would the minister then hold some time available to respond to Mr Stockwell tomorrow, or how would that be worked in?

The Chair: If he so chooses. If he wishes to leave a bit of time, that's entirely up to him. Any questions that Mr Stockwell would raise in his commentary we would give the minister the necessary time to respond to. We're a very flexible committee, especially as it relates to working agendas when the House is sitting. If that's okay, I would like to welcome the Honourable Brian Charlton, the minister responsible for Management Board. Minister, please proceed.

Hon Brian A. Charlton (Chair of the Management Board of Cabinet): Thank you, Chair. My deputy is Jim Thomas. I believe you've been provided with a list of officials who will be available throughout the estimates process to answer your questions. Depending on the questions you ask, you may or may not get to meet them all, but they are available and will be throughout the time we spend on these estimates.

Our presentation is a little bit different from the presentations that would come from some other ministries, because essentially Management Board is a central agency of the government and it's also the first agency of its kind in Canada devoted to the internal management of the public service and of government operations.

To put my comments that I'll be making today in some context, I'll talk a bit about the role of the Management Board Secretariat, what we do, the resources and assets that we manage and the customers we serve. I think it's

important that the latter point be dealt with because we have a variety of customers we serve that ranges, in some respects, from the general public or at least that part of the general public that gets involved in business with the government. So in terms of some of the letting-of-contract processes to clients that are ministries or clients or stakeholder groups that are bargaining agents, our sense of ourselves and our approach to customers is somewhat different from that of other ministries that are front-line ministries and delivering service, in many cases, directly to individual members of the public. You may have some desire to have some discussion about some of the relationships with our customer base.

I'll also do some follow-up or give some updates on the status of some of the programs and activities that we're involved in. We should probably start by understanding that the Management Board Secretariat, as we're presenting it here today in this set of estimates, because we haven't been in for estimates review for some time, is a different ministry than the one that was last reviewed because it's made up of two ministries, Management Board Secretariat and the old Ministry of Government Services. We'll make some comments and you may again have questions about the amalgamation, the consolidation of those two ministries and what that's led to.

The integration is essentially complete. We took advantage of the integration process to take a detailed look at some things, including just basically trying to look at what our business as a new ministry really was and to think about how we would reorganize and, therefore, how we would do business, having taken some thought about what the business that we really should be in was.

With new organizations come new ways of managing. The approach that we've taken is one that is much more cooperative, consultative and efficient; and it entrenches, I think, a process of negotiation.

I can recall from my own past in the 1970s when Management Board was seen as the authoritarian hammer. It's quite a different organization today than it was 20 and 25 years ago, and again some of that will be reflected in the discussions that we have throughout these estimates. The old way of doing business is, in essence, gone and Management Board is not the same gatekeeper that we knew back in the years past.

The mandate of the Management Board Secretariat is to provide the strategic management of internal government resources and assets, including people, land, buildings, technologies and information. In that respect, the purpose of the secretariat is to provide leadership through

a number of different faces: strategic management of the public service, the development and advancement of policies and best practices in terms of how government operates, policy development and implementation for the organization and operations of the government.

If you think about what some refer to as downsizing, what some refer to as re-engineering and what others refer to as reorganization or restructuring how you do work, Management Board, with all ministries, has played a fairly major role over the course of the last four years in developing the policies under which some of that has happened. As well, we get involved in the provision of quality service to our clients and, to some extent, what quality service is has changed dramatically as we've changed our approach to government operations in general.

There are a number of themes that run through all that's happened in the last several years, and most of these themes are and will be ongoing themes for some considerable time to come. When you go through a process of redefining the workplace, when you have a civil service that's as big as the one we started with, you don't go from what you've got to what you want to get to overnight. You've got people to take into account and you work to develop processes that will take them into account as effectively and humanely as you can accomplish.

We also get very much involved in another theme that the government has been involved in generally, which is fiscal responsibility, and in the last number of years that, in many respects, interprets itself as fiscal restraint. That has pushed us at Management Board, not only for and of ourselves but in terms of how we relate to other ministries, to seek out more efficient ways to do business, good management ways to do business and, at the end of the day, to seek out the most cost-effective approach, although you don't always necessarily find the most cost-effective as you move through becoming more cost-effective.

We've been through, as well, a number of processes of legislative change over the course of the last four years that in some respects will change the face and nature of how government operates. We've seen legislative reforms of the Crown Employees Collective Bargaining Act which, from our perspective, although I know everybody doesn't agree, was a move to modernize the labour relations in the Ontario public service. A major part of this reform was the extension of collective bargaining rights to employees who were previously excluded from collective bargaining.

Others would focus on the right-to-strike issue as the major reform of the changes that occurred in the Crown Employees Collective Bargaining Act, but both, from our perspective, are part of the maturing of that labour relations relationship between the employer—the government—and the bargaining agents whom we deal with.

1630

Bill 117 also enhanced political activity rights of crown employees for federal, provincial and municipal elections. Many support the political activity rights changes that we made; others don't. Having said that,

though, an interesting part of—well, maybe I should just step back again for a moment, having been one who many, many years ago got involved in the political activity rights fight from the other side of the fence, as a public servant who was active in politics and had a particular perspective on the issue.

At the end of it all, when we were moving through the process of actually determining the changes we would put in the legislation, interestingly the debate between the employer and the bargaining agents had reached a stage where we were in court, and it was likely that most of what occurred in the legislative changes, although it may have taken two or three years longer, would have eventually occurred through the legal challenges in any event. It's not from anybody's perspective unhealthy, when a debate reaches that stage, to sit down at a table and decide for the final thrust to make the changes in as cooperative and complete a way therefore as you can, rather than to have the courts impose the changes in a way that may be less than satisfactory to one side, the other side or perhaps even both sides.

We expect to see proclamation of the final component of Bill 117 dealing with whistleblowing legislation early in the new year. This legislation will protect Ontario government employees from retaliation for disclosing allegations of serious wrongdoing and will provide a means of making investigative reports into allegations public. It's not a tried process yet and again may not be perfect in its first incarnation, but from the perspective of those employees who legitimately believed in the past that they had issues that should have been brought to public attention and for reasons of their own personal security didn't feel able to do that, it certainly will be an improvement over what we've had in the past.

I'm hoping to be talking to the House leaders of the two opposition parties about short lists of candidates and a process, because this office, as many others we've created, will be a council that is attached to the Legislative Assembly as opposed to a minister or a ministry. I'm hoping in the weeks ahead of us this fall to be able to pursue that.

Mrs Elinor Caplan (Oriole): Days.

Hon Mr Charlton: There's five weeks.

On all of these activities around the Crown Employees Collective Bargaining Act, the political activity rights legislation and the whistleblowing, we're in active discussions with the bargaining agents about the basic implementation of those initiatives. The employer and the bargaining agents are committed to the goals of the legislation and are working in good faith to achieve them.

There is a time frame of three years to implement our employment equity plan and to be in complete compliance with the act. In many respects, for the government the task will be as difficult as or more difficult than for some in the private sector, partly because of our size but partly because we have to be first out of the gate as well. We don't shy away from that, but it is our intention to do the job right, so it is a major task that lies ahead of us.

In terms of restructuring and re-engineering, the issue I referred to earlier as redefining the workplace or

looking at new ways of doing work, the OPS is going through a fundamental restructuring, as is in many respects the whole economy in the province and the country in general. I guess, for that matter, it goes even far beyond our own borders and to, at the very least, the traditional western industrialized world. Many of the work habits in Third World countries are adaptations of our old approach, and that's why, in many respects, we're sometimes having to look at the new. But those processes are ongoing and will continue for some time.

We're taking a hard look at the businesses we're in to identify new ways of working and to determine what businesses we should be in to meet the needs of our customers. That's true for our ministry and it will be true for all government ministries over time.

Integration and consolidation have led to the number of ministries being reduced from 28 to 20. Some would suggest that was not much more than politics. Others of us who have worked through those integrations would disagree. We have seen in the integrated ministries a much more flexible potential for coordinating activities, and that's as true in our own ministry as it would be if you had a careful look at Environment and Energy, for example.

Management Board Secretariat supports ministries to help them achieve major business improvements through business re-engineering and service quality initiatives. One of the major roles we have been playing over the last two or three years is working with ministries as they determine what their reorganization should look like, because what works in one ministry doesn't necessarily work at all in another, if the service they deliver or the customer base they serve is substantially different.

In terms of the size of the OPS, the Ontario public service, which is all part in many respects of the same process, in the 1993 budget the government stated that its objective was to reduce the size of the Ontario public service by 5,000 by the end of 1993-94, and we didn't meet that target. We were, as I recall it, about a thousand short at the end of it all. Having said that, our approach was to restate the target and to restate the commitment to meet it by March 31, 1995, for a total net reduction of some 5,000 employees.

I go back to something I said earlier, that the approach we took to that whole process was as humane as we could make it. That's not to say there weren't some mistakes from time to time, but if you look at the absolute net number of people who were actually laid off in all of that process, I think the result was particularly good compared over and against some of the things that unfortunately happened in the private sector.

At the same time, the OPS has taken on more work, we've created new programs. We are in the process of trying to implement some of those programs: employment equity, social assistance review and reform, the graduated licences initiative, integrated safety programs, and there have been quite a number more over the last four years. So at the same time as we've been able to effectively and humanely downsize the Ontario public service—that's from a number we started with in 1992—the net number does take into account a significant number of new

positions that were created to deliver those new programs, all of which made the task of achieving the goals that much more difficult.

Despite the reduction in size, the government has been able to realize its commitment to make the best use of redeployment and to minimize the number of layoffs, and again I have to give particular credit to the staff in my ministry, who not only created, on fairly short notice, the whole redeployment section but have made it work, and with some initial resistance from ministries.

Initially, ministries were interested in redeployment as long as they were redeploying their own people internally, and we had a lot of difficulty getting across ministry lines. We've broken down those barriers and today the redeployment process is working extremely effectively right across government. When I say "extremely effectively," that's not to say that from time to time you won't be able to find an individual case that hits a pothole or falls through a crack, and we work as best we can to deal with that when we find them.

1640

Over the past year, senior management positions have been reduced by 10% and other management-related positions have declined by 7%. So in part, as we've gone through the restructuring, the re-engineering, the redefining the workplace, or whatever else becomes part of the jargon, we undertook a fairly significant delaying as well. Some ministries, for example, have been delayed from as many as 13 hierarchical levels to five and six levels of management infrastructure. That's enabled those ministries, both in terms of their day-to-day operation and in terms of their decision-making and accountability, to do things both more efficiently and more quickly but with less impact on the client base they're trying to serve.

In redeployment, the government's redeployment program is committed to making the best use of our human resources, and again I feel we've done a very excellent job in that respect. I couldn't tell you, although the staff could provide you with numbers, the actual number who have fallen out the bottom of that redeployment system—in other words, people who have actually been laid off—but the numbers have remained very small throughout the last two years.

With the help of interministry working groups and ministry staff, we've developed a number of tools to support the program.

To help relocating employees, the five ministries involved in the Ontario government relocation program have recently received approval to offer employees preliminary counselling and assistance prior to the receipt of their reallocation notices. This support will help these employees in their decision-making about relocation and start them in their alternative job searching sooner, if their decision is not to relocate along with those relocating operations of government.

The job trading program for OPS employees has been extended to 1996 and recently we were approved for expansion for all employees across Ontario to have access to that program. It will help non-relocating employees

affected by the Ontario government relocation program to exchange their jobs with other employees who are willing to relocate. One of the realities we have come to understand about relocation is that there are some people who are very anxious to relocate out of Metro Toronto and there are others who wouldn't leave if their lives depended on it, so the kind of approach we've taken with the job trading program is a serious effort on the part of the government to match those people wherever we can find them and get them together.

The two joint central redeployment committees, one with OPSEU and the second with representatives from the professional and management associations, have been described as model committees vis-à-vis management and labour relations and redeployment. To date, a number of policies and agreements have been finalized for the benefit of the employee groups represented at each committee.

With respect to the social contract, the overall goal of the social contract in the OPS is to achieve savings while minimizing job loss or cuts in services to the public.

Some have criticized the social contract and, especially in the broader public sector, some have been able to point to some very difficult circumstances that have arisen. Some have been worked out, some are still being worked on. For us in the OPS, it's my view and I think the ministry's view that the process we've been responsible for has, all in all, worked very well. That's not to say that there haven't been some hiccups and some bumps along the way, especially in ministries like Health and Correctional Services where they have large, institutional components where Rae days and backfill became difficult. But through the process of consultation and negotiation with those ministries we've managed to largely resolve those problems.

The goal has been met across the entire public sector and, in particular, in the OPS. We are meeting the OPS social contract target of \$210 million in savings in each of the three years, 1993-94, 1994-95 and 1995-96, and we've kept the job losses and the service impacts to an absolute minimum. I don't have the numbers off the top of my head, and they do happen to change daily, but if there are people who are interested in the actual numbers, we can provide them.

Now we are working with the social contract bargaining agents in the OPS on achieving permanent savings of \$210 million by 1996-97 through operational restructuring and efficiency gains. It's my hope, and I think the hope of those who work in the ministry, that we will have a jointly agreed process in place very soon through which bargaining agents will have real input into the savings proposals and to the implementation process. It's also our hope that for the first time probably, at least in the public sector of Ontario's history, we will have bargaining agents actively involved in helping us to redefine the workplace and the jobs their members will do.

Last April, the government reached an agreement with OPSEU to establish a separate pension plan for OPSEU members, and there was again some criticism around that initiative. The agreement is an outstanding example of

how the government is working in partnership with its bargaining agents to achieve success in both fiscal management and labour relations.

Without spending a lot of time on details, I just reassure the members of this committee, as I did the members of the House during the debate on the budget bill last June, that all of the pieces of the plan are sound and intact and that nobody's pension is in jeopardy and that both of the plans will be viable plans. As a matter of fact, we've had some indications from some of those who had critical comments just a few short months ago that they're now interested in sitting down and beginning the process of talking about some of the remaining pieces.

The agreement benefits both employees and taxpayers. It allows the government to use the gains being generated from the public service pension plan to achieve \$300 million in savings in each of the three fiscal years, this one and the next two.

The agreement prepared the ground for a new working relationship with OPSEU. OPSEU and the government now have joint control over the pension funds of OPSEU members, something the union has sought for the past 20 years. The new joint board of trustees has been appointed, and I was very pleased and proud to participate in the final signing of those agreements with those board members just a week ago. The new plan will be in operation by January 1, 1995.

Members should understand that one of the things that happened in this negotiation with OPSEU was that joint trusteeship in this particular case means both joint benefit and joint liability into the future. The government retains sole responsibility for the unfunded liabilities that were identified up to the point of the agreement, as was the case in 1989 when the pension act was changed and the 40-year amortized payment of the unfunded liability was set.

We retain full responsibility for that unfunded liability, but all future gains and liabilities against the plan will be jointly shared by the employer—the government—and the employees. It's a particularly responsible, if not somewhat frightening, position for any union to move into with a pension plan that size, but they've done it, and done it, in my view, in an extremely professional and responsible way.

I move now to talk for a few moments about the Ontario Realty Corp, which has had some comment from a variety of perspectives in the Legislature. The Ontario Realty Corp is helping fulfil the government's commitment to do business differently and to create jobs through infrastructure development.

The corporation's mandate is to hold, dispose of, develop and finance provincial land and buildings. By the end of the 1994-95 fiscal year, the corporation will manage a real estate enterprise with assets in excess of \$1 billion.

The corporation will finance and manage some of the province's biggest capital construction programs, such as the Ontario government relocation program, making significant contributions to Ontario's infrastructure and creating more than 12,000 full-year construction jobs. The

Ontario government relocation program alone will bring an annual payroll of approximately \$140 million into five communities.

The Ontario Realty Corp is also coordinating court consolidation for the Ministry of the Attorney General. The new courthouses are to be built in Windsor, Hamilton, Cornwall and Brampton, representing about 5,300 full-year construction jobs.

1650

Taken together, these nine development projects represent a capital investment of approximately \$470 million, with about half of this amount as payroll for local construction workers.

The realty corporation is also involved in leasing services. A new lease management system has helped us to contribute to a saving of \$70 million in lease renewals over the last two years. This is a computer-based system that provides on-line access to current data on the government's 1,800 leases, with an annual rental cost of more than \$200 million. It's a particularly costly government endeavour, the leasing of office and other kinds of space across the province, and \$70 million in savings out of \$200 million in expenditures is I think an admirable record which I'm very proud that the staff in the ministry were able to deliver.

I'll try and wrap up fairly quickly.

The government's mail service: We negotiated a one-year contract with a private sector mail-processing company to barcode our mail. Barcoded mail is delivered more quickly and with less cost than our former operations. This will save about \$200,000 this year in postage on external mail.

The ministry's central collection service has collected more than \$17 million in 1993 in money owed to the government. This is a centralized debt collection service to ministries, agencies, boards and commissions. On average, for every dollar spent on staff and resources, the central collection service has collected \$7 owed to the government, money that otherwise wouldn't have been realized, and I might just add that our rate of return on collecting those debts has been better than that of private agencies that have done similar work for us.

Led by the MBS green workplace program, the OPS cut its garbage in half in the three years ending in 1992, three years ahead of target. In 1993 the program Maximum Green was launched. Three buildings, including the MBS-occupied Ferguson Block, piloted Maximum Green, a program to reduce waste by half again, this time in three months.

I won't go into all the detail in my notes, but I'll just flag this issue for you in terms of agency reform. We've done a considerable amount of work looking at specific measures to amalgamate or consolidate regulatory or adjudicative agencies, or their administrative functions at least. We are, as you are aware, proceeding with some of those initiatives in Bill 175, which is presently before the House. As that work continues into the future, we will see a fairly significant drive for efficiency in that respect, hopefully with the full approval of the public, as we hope to maintain all the services those agencies, boards and

commissions deliver to the public without all the bureaucracy, necessarily, that's been associated with them in the past.

In terms of information technology, IT helps to reshape government, improve customer service, reduces costs and addresses duplication. It's an area where Management Board has been doing significant work, not only in terms of understanding what the government has now but in terms of working with ministries to create new systems as work changes and the demands of work change.

We'll develop a framework of corporate principles for information technology in the Ontario government, a view of the future of information technology in the Ontario government, and a set of information technology initiatives to achieve this view will be created in this process.

The key component is GO Net, the telecommunications common infrastructure. GO Net is the government of Ontario wide-area network service. GO Net is set up to provide ministries with high-quality telecommunications services by consolidating existing networks and services at a cost lower than they could obtain on their own.

Again, if we would like to go into some in-depth discussions of the information technology services during the course of the estimates, we'd be happy to do that. I've got a number of other comments here I could make, but in view of the time, I'll skip over some of them.

In terms of the financial information system, we've decentralized the accounts payable process to 15 of our highest-volume offices. This cut the processing time needed to enter payment information into the financial information system. Now staff in these district offices directly access the central financial information system and process their own accounts payable.

This has led to a very dramatic reduction in the kinds of complaints that we heard for many, many years about people, companies, businesses doing business with the government and not getting paid, in some cases for many, many months. Again, I'm very proud of the work that our staff has done to ensure the kinds of matter-of-days turnarounds that we now have in that respect.

The new service that we introduced at Management Board allows computers to exchange standard business documents and forms with both internal and external clients. This will result in many purchase orders being sent electronically to vendors, eliminating another paper form used across the ministry.

This basic system resulted in faster, more accurate payment to vendors. A survey of five sites showed a 215% improvement in on-time payment to vendors and a 100% boost in accuracy. With this initiative, we estimate that 1,000,000 pieces of paper per year were saved. Again, they're all small pieces but they're all part of an overall strategy that seeks to pursue efficiency.

In terms of strategic procurement—and this is the last basic area that I'll talk about and then wrap up—it's estimated that \$25 million in saving is possible through consolidated purchasing agreements. The first of these agreements, dealing with the purchase of photocopiers, is already in place. Streamlining makes it easier for supp-

liers and would-be suppliers to do business with the government. The consolidation means the government can buy goods or services with significant saving by taking advantage of volume buying.

In the process of pursuing questions of strategic procurement, we have been very careful to consult with both small suppliers across Ontario and communities across Ontario to ensure that we don't end up with a system that will be totally based in Toronto and that there will be some sensitivity to the ability to locally purchase and so on. Although it took us some time to develop because of the consultation aspects of what we went through, it's a system that is now working in some respects and we will continue to roll out new portions of over the months and years ahead.

In conclusion, as we approach the end of this century, we're basically working on all fronts. I tried to give you a smattering of examples. There are dozens more that we could go through and discuss during the estimates. We're trying to change the way we carry out business, to streamline how we do things, to take a more non-adversarial approach to, and at the same time preserve, services and jobs, and to do all of that in a more efficient, cost-effective way.

We need to be the bridge for employees and the organization to reach this new future successfully. I'm convinced from the last year and a half I've spent in this ministry that the best way to proceed to approach all of these questions is in an open way, in a consultative way, and to be prepared to negotiate almost all aspects rather than to simply make arbitrary decisions.

We've had some wonderful surprises over the course of the last six, eight, 10 months as we've gone through the same shivers as probably many of our predecessors went through about telling bargaining agents or others what our intentions were and what their response might be. We're all particularly proud of the way that everybody has responded and come to table after table to try and work with us to define ways to resolve major problems with as little disruption and human impact as is possible, and again I think we've done a good job of doing that. Nothing is ever perfect and we seek on a daily basis to find ways to improve the things that we did well yesterday.

1700

The Acting Chair (Mr Wayne Lessard): Thank you, Minister, for your opening comments. I'm turning to the Liberal caucus and would ask Mrs Caplan to respond on behalf of her party. Mrs Caplan, you have 30 minutes to speak.

Mrs Caplan: Thank you very much. I have no intention of taking 30 minutes. I thought because of the fact that the minister's here it might be more beneficial to use the opportunity to actually engage in some dialogue. I have a few questions that I'd like to ask, but I thought, first, if I could, I would just make a few comments.

I found it interesting that you mentioned several times that you were considering what business you should be in. I'm familiar, as many of you know, with the former

role of the Management Board of Cabinet, as well as the Ministry of Government Services, and I have followed with interest the reorganization that took place where the Ministry of Government Services and Management Board became one entity and treasury board became a separate entity.

I found interesting that, I believe two or three times, you said that you were still thinking about what business government should be in, what business you should be in and, given the fact that we're in the fifth year of your mandate, I'd like to know what conclusions you've come to about what businesses you think you should be in and what businesses you should not be in.

Hon Mr Charlton: Do you want me to pick it up there and make comments now?

Mrs Caplan: Yes. I'd be happy to go on, I've got a number of questions, but that was the first one, because it seems to me—

Hon Mr Charlton: Okay, let me make a few comments and then my deputy may want to comment and we may elicit some comment from staff. We've already made some changes in terms of the business that we do. I mentioned during the course of my comments about the old gatekeeper role versus a much more consultative, hands-on, go in and help ministries do things.

On many occasions in the past Management Board just sent out directives and then sometimes they happened in ministries, sometimes they didn't happen in ministries. We've taken to working with ministries to try and ensure that things happen and that we can then take what we learn from one place and use it in another.

I guess most specifically in terms of what you learn both about yourself as a ministry and about a number of things that government in general does is that what was truth in 1979 is not necessarily any longer truth in 1993. For example, for the first time in 1992-93 we undertook a major study with the union of contracting out. That was a huge study because there's a lot of things that government does that is contracted out where we've never had employees do that work or we haven't had employees for some, and we're going through a process now of looking at all of that. So we're looking at some of the businesses we're still in, we're looking at some of the businesses we've gotten out of.

For example, in Correctional Services they went through a process about a year and a half ago of contracting back in services that were contracted out in the late 1970s, for the most part, foodservices in their correctional institutions. Where they found in 1978, 1979, 1980 savings by contracting out those services, we in fact found that we could deliver those same services in 1993-94 for about 60% of the cost of what we were paying for contracts to deliver those services.

There's a whole constant re-evaluation of everything that we do on the margins, if you like. There are some very fundamental government services that will always be required in the public sector, but there's a range of things around the large waste of government that will always be subject to the potential for doing it better another way, and those are the kinds of things we're looking at in

terms of what businesses we're in and what businesses we should get out of and perhaps what new businesses we may want to take on.

Jim would probably like to add something to that.

Mr Jim Thomas: Yes, I think, as a person who's still a relative newcomer to the ministry, I can say that it's a surprising array of customer services that we provide, that you might call baseline services, whether they be collections or mail or whatever. I think that the test we're applying to them—are they cost-effective and are there ways that we can either be doing them more effectively in-house or outsource?—is a question that's a two-way street.

The other question is whether or not we're better off doing the services within Management Board Secretariat or within ministries. So there's a question about whether we ought to be centralizing or coordinating the delivery of some of our services or leaving them to be done at the ministry level. There are a whole lot of questions that will be ongoing for a long time to come around what are the best ways to be doing our baseline services.

The only other comment I might make is I think there's a new business, and the new business which has come up over the last few years is helping ministries to re-engineer, to figure out how to do things better as ministries. The downsizing exercise that the government has gone through the last few years has been a very, very difficult exercise. We've had to learn new skills. We've had to learn new ways of doing things and we've tried to do it in a way that's minimized the impact on staff.

I think the stats bear out that we've done it that way, but there's a learning curve that all ministries have to go through in terms of being good at re-engineering and being good at downsizing in ways that preserve customer service and minimize impact on staff, and that's a business that we're getting into partly because we need to do it ourselves and we are doing it ourselves, but partly because we also need to be able to help ministries.

Mrs Caplan: It's interesting, because I think it is an important question about what businesses government should be in and what businesses government should not be in, and taking that kind of a look is important before you even begin re-engineering. What is the point of spending your time and effort reorganizing and re-engineering a function that has no value any longer, or could be better delivered by someone other than government? It seems to me that before you begin you really have to have some understanding of not only what businesses you're in but what businesses you think you should be in.

I'm a little concerned that it seems to me that the priorities haven't been established clearly even around some basic government services. I haven't heard you define what you feel are those basic government services and I understand the problem that you're in because ideology clouds that. I'm aware that it all depends on how you look at things as to whether or not the cost-effectiveness arguments are met or not.

I find interesting and somewhat encouraging discussions around appropriate outsourcing or the ability to

have competitive bidding on services which have traditionally always been provided in-house by government. I think that's the kind of new thinking that is part of a rethinking of how services are going to be delivered in the future.

I am interested in Management Board's role around good management practices and I've been thinking of some examples that the Provincial Auditor doesn't consider as particularly good examples of good management practice. I'm thinking particularly about what Management Board's role has been in the new realty corporation as they have purchased government buildings such as the Whitney Block and Macdonald Block, all the buildings down here, and we've seen a cash transfer, which the Provincial Auditor has not allowed as legitimate, good management practice.

How does the Management Board Secretariat justify those kinds of activities as good management practice, whether it has been the sale of railway cars in GO Transit, buildings in the realty corporation and even the delay of pension contributions, those kinds of accounting practices which the Provincial Auditor has said are bad management practices, and yet Management Board is out there advising ministries on good management practices even though your hands have been slapped by the Provincial Auditor? How do you justify that?

1710

Hon Mr Charlton: Let me start out by saying that I'm not aware that the Provincial Auditor has said anything yet about the payment of the pension liabilities.

Mrs Caplan: You're required to add that back in to the numbers and say that you could not.

Hon Mr Charlton: No. All of the changes in the bookkeeping have been accomplished. As the Minister of Finance said in the House this afternoon, that is a standard process that is going on right across the country; it isn't unique to Ontario.

Mrs Caplan: What is unique, with respect, Minister, is that no government before has ever sold buildings to themselves; no government before has ever sold rolling stock cars from GO Transit and then bought them back on the same day. That's new, and the Provincial Auditor has said that's not good management practice.

Hon Mr Charlton: My point, Elinor, is that I'm not aware that the Provincial Auditor has said that's not good management practice. He said it was not good accounting practice the way that the old bookkeeping system worked, and we have made those changes. You'll notice, though, we haven't shut down the ORC and cancelled it because of the accounting changes—and I emphasize accounting changes—that the Provincial Auditor recommended.

The Ontario Realty Corp is a corporation that is set up on good and sound business principles. The board of directors of that corporation is made up of private sector business people whose reputations depend on them running a good, clean business, and that's exactly what they are doing and what they intend to do.

In terms of this question of the Provincial Auditor's raising accounting practices versus the approach to good business practices, the ORC is much more than just the

government selling properties to the ORC and then leasing them back. It is part of an overall efficiency strategy that is designed to start making us deal with the real estate assets that we have in an efficient, businesslike way.

One of the problems, and this is just one of thousands, that government ministries, agencies and boards across this province have had forever is that if they happened to be in government-owned spaces that have leased space, private sector leased space, they didn't pay any rent. They didn't have to operate on a business basis and they didn't have to worry about giving up space when they in fact downsized. They just kept the extra space for the fun of having all that nice space to utilize, because it was all in government-owned facilities. We're changing all that.

The Ontario Realty Corp is a corporation that, with respect to our own facilities, will be running those own facilities like a business. Ministries, at the end of the day, will get forced to deal with the accommodation space they use in government-owned facilities in the same way as they get forced in the private sector to deal with the lease costs that they have to pay to the private sector landlord so that we can in fact start to get at some real efficiencies in terms of how we operate that huge real estate portfolio.

Mr Caplan: One of the questions I'd like to talk about is human resources. As I start my questioning, I'd like to state very clearly—and I see some of the people here today that I worked with—that I have still today enormous respect for the non-partisan professional civil service that worked with me over the years that I was in government, and the questions that I ask are in that spirit.

As the ministry with responsibilities for the old Human Resources Secretariat and human resource policies and practices within the government, I'd like to know your assessment of how you feel morale is within the civil service today?

Hon Mr Charlton: I think there is still some anxiety in the civil service about the security of positions. I would suggest that anxiety is probably 80% lower than it was a year and a half ago. There was, I must admit, a really high level of anxiety and bad morale—low morale, I guess, is a better way to put it, in the months that straddled the final negotiations of the social contract and the commencement of its implementation. I think that the process that's ensued has helped significantly to start to alter the fears that in people's minds were legitimate fears.

For example, when Fred Upshaw was able to stand up on March 31 of this year and say, "By God, working with these guys on the joint central committees and in the negotiations around Rae days, we not only got the days down but at the end of it all there were only 21 layoffs in total." Fred was able to stand up and say that with a lot of comfort that wasn't expected at the start of the whole process. If you recall, some of the big numbers that were being thrown around in the summer of 1993 were 3,500, in that range.

I think we've come a long way to start to re-establish some of the relationships, and even more than re-establish those relationships, to move them beyond a point that I

believe they'd been stalled at for about 20 years. That's not to say they were bad relations, but they weren't going anywhere in terms of the labour relations relationship with the employer.

The pension deal we were able to negotiate with OPSEU last spring in three weeks. Nobody believed we could accomplish that. We didn't, but we went to the table and did it. The CECBA changes and the way in which the bargaining agents have come to the table around the right-to-strike questions and starting the process of defining essential services and so on and so forth—it's really heartening to see the honest and responsible way that all of that is rolling out.

Mr Thomas: I might just add that morale, I think, is always a challenging problem whenever an organization, whether it's public sector or private sector—and I've worked in both—is engaged in a downsizing exercise, and so it is something that one has to be aware of. I think it's an important question that is certainly on the minds of all deputies who want to make sure that we do all we can to try to make the workforce feel secure. It is difficult to do that, even though I think the statistics show that there have been really only a few dozen people in the Ontario public service over the past year or so who have actually involuntarily had to leave the Ontario public service.

Also OPS, over the past few years, has gone from probably an 87,000- or 88,000-person Ontario public service to about an 82,500-person Ontario public service, and during that time we've taken on a variety of new work and additional workload situations that have put additional pressures on other employees to sort of pick up slack. That is a reality that I think you face when you're in a downsizing mode with new programs coming on stream. Actually, I think that people are working very hard at it, but I would be wrong if I didn't say to you it's something that we have to keep working on, and it is a good thing that we have a relationship with OPSEU that I think is a fairly healthy one at this point because it has allowed us to continue the dialogue on some of these very difficult issues in a fairly positive and constructive way.

1720

Mrs Caplan: The comment that I'm going to make now I want to make in the context of during my time as Chair of Management Board as well as time in government between 1985 and 1990. I always felt that I had a constructive working relationship with the unionized employees. I find it, however, particularly interesting that in response to my question about employee morale, you made no mention, Minister, whatever about your managers. Your only frame of reference in this discussion around morale in the civil service related to the unions and unionized employees, and I think that that is unforgivable, particularly at a time when you have been going through the kind of restructuring and the dependence that you've had on the managers in the civil service. On their behalf, I think you owe them an apology.

I understand that the morale in the management class in the civil service at this time is more than fearful. In fact, since the appointment of David Agnew, I think that

there has been a politicization within the civil service that has been unseen since the darkest days of the Tory regimes of several decades ago, and I know that there is also despair and concern and that your whistleblowing legislation did nothing whatever to ease those kinds of concerns either.

So, as I said, on their behalf, and I'm not going to say anything further about it, I do find it objectionable that your entire frame of reference is your relationship with unionized workforce in the OPS.

I would like to go on to some discussions about—

Hon Mr Charlton: If I could just take a moment to comment on that, because it's a fair comment in the context that I didn't mention the managers because I used the bargaining agent as an example of a public response, and generally speaking, the managers in the OPS have always been professional enough not to make those public responses.

On the other hand, I have no doubt whatever that—these are all of the managers in the ministry sitting here, and I have no doubt that there's probably one or two of them who (a) think I'm nuts, (b) are frightened about their future. But I think the vast majority of them, if you went out and had a drink with them and had a personal chat with them, would tell you that in the last—I can't speak for all four of the years, but the last year and a half, or year and a half and a bit, that they've had a greater ability to put their thoughts on the table in an open way than probably at any time during their careers, and one of the reasons why we were able to do some things that nobody else has been able to do, like the pension deal that we negotiated with OPSEU last year to both of our substantial benefits, was because we were able to sit down and look at each other eye to eye and talk to each other in a very open way that is reflected in comments that you made earlier about their ability to deal in a very professional and non-political way.

Mrs Caplan: You mentioned going out and having a drink or a lunch. I heard from a colleague today, and I must admit this was not from Management Board Secretariat, that senior civil servants in many ministries are afraid to have a conversation or be seen talking with a member of the official opposition because of the politicization within the civil service and the change of attitude towards senior management.

I know that many are not only fearful about their own future and their own jobs but they are afraid to come out and just have a drink and sit down and have a chat for fear that there will be a reprisal or retaliation that would jeopardize their job.

Hon Mr Charlton: I absolutely reject the comment about politicization. These are all of the same people who were here before I got here, and I haven't done anything that I'm aware of to change their politics in a personal sense or to politicize the way that they do their jobs.

They come to me with policy recommendations and/or implementation recommendations that I deal with, and sometimes I accept holus-bolus, sometimes I reject, sometimes we do a mix and match and make changes, but at the end of the day they do the same jobs that

they've always done, perhaps in a new way, because their section's been reorganized out from under them or around them or whatever the case happens to be. These people are people who still do their jobs in their own right. Nothing I've done or Bob Rae has done has changed the political atmosphere in which they work.

Mrs Caplan: As I say, I'm not referring specifically and only to the Management Board Secretariat. I can tell you—perhaps this is something for you to look into if you believe what you just said—the number of appointments into ministries across this government that have not been through the merit system of proper competition, those who have been placed, particularly at a time when the government is downsizing—as you say, you didn't meet your targets, and there have been a number of new positions that have been created where people have been waved into those positions—has created a tremendous morale problem within the civil service, particularly at the management level.

I tell you that. It's up to you if you want to do anything about it. But we are aware of it and we sympathize with those within the civil service who believe, as we do, that the civil service should be non-partisan and professional and should feel free to have conversations, a lunch, a drink with a member of the official opposition, free of any intimidation or fear of reprisal or that their jobs will be in jeopardy.

I'd like to go on if I can, having made that point. I'm very interested in GO Net and the use of information technologies. As one who had responsibility a long time ago now, almost nine years, for the establishment of the common architecture across the provincial civil service, I know how far we've come since those days of information technology policy development. I'm also aware how rapidly things have been changing and I know how much flexibility you need to be able to respond to the rapidly changing information technology in both the hardware and software world.

The point I'd like to make is that I find it frankly shocking that members of the Legislature, members of the opposition, are not connected to GO Net. I would like to have your comments and know what your plans are for having members of the Legislature, who serve the public, hooked up to GO Net, the government of Ontario network. We are not connected.

Hon Mr Charlton: I have to be honest. This is one we should better defer to staff on.

Mrs Caplan: Do you think it's a good idea? It's a policy I'm asking you about. Do you think all members of the Legislature should be connected to GO Net?

Hon Mr Charlton: Absolutely.

Mr Thomas: I wonder if I could ask David Girvin to assist Mrs Caplan with respect to that question.

Mr David Girvin: In response to your question, Mrs Caplan, there are two basic areas of GO Net in terms of the basic infrastructure: one is on voice and the other is on data. Then on top of that broad-band infrastructure, you have a variety of value added services in terms of electronic commerce and gateways, Internet and all of those items. The Legislature is connected obviously on

voice in terms of reciprocal arrangements on the OCN, the Ontario communications network, as far as the long-distance service.

Mrs Caplan: That's the telephone service.

Mr Girvin: That's correct, on voice, and with regard to ICN, which is the capacity to dial in relative to a constituency office etc.

The Legislature itself, to the best of my knowledge, has the opportunity to acquire our services. We are in a fee-for-service chargeback proviso other than for voice. We receive a budget on vote and estimate of approximately \$16 million, of which \$2 million is around policy, the information technology directions committee, and the management of information technology with regard to Management Board of Cabinet, and the remaining approximately \$100 million is on a full recovery basis for services that we provide in a quasi-private-sector, fee-for-service, competitive mode. The breakout of that on a distributed basis is approximately \$30 million for processing and \$70 million for telecommunications and the value added services.

So there's nothing that is restricting a ministry or schedule agencies, the ABCs, from acquiring our services. The Legislature has that right to acquire our services or provide their own with regard to their infrastructure. As you know, the Speaker and the infrastructure of the Legislature is somewhat separate from the centralized systems that you may or may not see in terms of Management Board and treasury board.

1730

Hon Mr Charlton: If I could just pick up on that, Elinor, and add a little bit to the perspective—

Mrs Caplan: The Board of Internal Economy, which is controlled by the government, makes those decisions.

Hon Mr Charlton: But which sets its own estimates. I'm just being frank with you. I've been at the Board of Internal Economy for a year and a half now as the House leader. The issue has never been raised by anybody, albeit not by me, but it also hasn't been raised by either of the opposition parties. It would be simply a matter of us at the Board of Internal Economy in our estimates process this year making some decision to seek out to buy the service on behalf of the members of the Legislature. It's an issue that's never been raised with me before. That's why I had to defer to staff, because I didn't know if in fact there had ever been any discussions with the ministry.

Mrs Caplan: Is there any ministry in the government—I'm not talking agencies now, I'm talking formal ministries—that are not part of GO Net or have not subscribed to your service?

Mr Girvin: Well, I think that there's a breakout with regard to what I would call the hard infrastructure or the management of the wide area network, which has a variety of components and mobile voice and various switching technologies that are there as far as the wide area network. That basically is either on what we would call a preferred service—you have to make the case that you're a one-off situation in a ministry, that there are cost or technical reasons that don't make that competitive—

but in the majority of those hard infrastructure areas, it is mandatory in terms of packet switch etc. What we—

Mrs Caplan: Say that again? It's mandatory for ministries to be on a network?

Mr Girvin: On the—and that is—

Mrs Caplan: I think that's good policy.

Mr Girvin: That is not a hard decision on the voice side, because it is paid for as far as a vote and item. The challenge is to ensure that it's used for voice and that people don't load data which is normally on a recoverable on the so-called free system you're providing from an infrastructure point of view.

I think where it becomes more on a voluntary or closer to a preferred basis is when you're dealing with the value added services that are based on that wide area network around electronic commerce: credit card functionality, electronic data interchange, electronic data transfers, the Internet connections, gateways, voice messaging, a variety of what I would call value added services that are connected there.

They are not necessarily on a preferred basis; they're on: "Here's our service, here's our cost infrastructure, here's our timing in terms of delivery. We would like your business, but it's not mandatory." And it isn't mandatory relative to the individual ministries on some of those value added services.

What the deputy made reference to was the discussion you had earlier around the centralization, decentralization; the centre delivering versus individual ministries and/or the private sector and strategic partnering are some of the discussions that are ongoing.

The Vice-Chair (Mr Ted Arnott): Mrs Caplan, I just want to indicate that your half an hour has concluded, but we have departed from our usual procedure so far because of the unfortunate absence of the Conservative critic. The minister could respond, if he chose, to your broad 30-minute statement—

Hon Mr Charlton: I don't want to take up half an hour responding.

The Vice-Chair: —or we could start into rotation, in which case I'd recognize you to commence questions for a 25-minute period.

Mr Wiseman: Don't question this, Elinor; just do it.

Mrs Caplan: I feel like I'm Alice in Wonderland. My time is up, but I now have more time.

Mr Wiseman: Don't question it.

The Vice-Chair: Aren't you happy with that ruling?

Mrs Caplan: The minister said the old way of doing business has gone. I think many in Ontario would agree, and if they're watching this committee they'd wonder whether it was good or not.

The Vice-Chair: I'd not sure how many are watching, but I now recognize you in rotation.

Mrs Caplan: Thanks very much. How much time do I have?

The Vice-Chair: You have 25 minutes.

Mrs Caplan: The question I have is, do you know why, on the requirement for mandatory participation in

GO Net, the Ontario Legislative Assembly was not included?

Hon Mr Charlton: It's not part of the government.

Mrs Caplan: Say that out loud.

Hon Mr Charlton: It's not part of the government. The Legislative Assembly is an independent entity that's run by the Board of Internal Economy, does its own estimates, is not part of the government estimates process, does not have the status of a ministry, is not under the jurisdiction of a minister. The government has an arm's-length relationship with the Legislative Assembly.

Mrs Caplan: Except for the fact—and what I'm about to say is accurate—the Board of Internal Economy is controlled by a majority of government members.

Hon Mr Charlton: That's correct.

Mrs Caplan: I really am Alice in Wonderland. It is arm's-length, but controlled by the government.

Hon Mr Charlton: You know, Elinor, what the traditions on the board are.

Mrs Caplan: Of course I know.

Hon Mr Charlton: That the government very rarely ever uses its majority on the Board of Internal Economy for anything—

Mrs Caplan: That I don't know.

Hon Mr Charlton: —that in fact we attempt on 99% of occasions to reach consensus, including the estimates of the board.

Mrs Caplan: This is not a criticism. Don't be defensive.

Mr Wiseman: We were born that way.

Mrs Caplan: I'm just exploring how the policy evolved and why the mandatory nature of participation in the government of Ontario network would not have included members of the Legislature. I agree that members of the Legislature are not formally part of the government and not a ministry, although certainly some would think they have a significant role to play in the development of public policy, perhaps in advocacy for their constituents, keeping the government on its toes, all those important parts of it. It just seems to me that a policy that would not include the mandatory nature—

Hon Mr Charlton: But that is something David's not in a position to speculate about, what did or didn't happen at a Board of Internal Economy meeting. I've suggested to you that in the year and a half I've been on the Board of Internal Economy, the issue has not been dealt with by anybody. We haven't raised it and neither of the opposition parties have raised it. I don't know whether the discussion ever occurred before I got there; I can get you an answer to that question, which might help you to come back in on this issue at some later point in the estimates.

But I would suggest to you, just in the context of how I have seen a number of other things occur at the board with an issue like this around an expenditure of new dollars, which is what it would've been for the Board of Internal Economy to proceed with implementing GO Net and paying the service fees required, if either of the opposition parties had disagreed, then it is unlikely that

the government and the remaining party would've imposed it because of the political nature of how questions would move from the BOIE into the House and so on. That's been the basic tradition there, especially around the expenditure of moneys, both for members' services and for their office services, that it's been a move to consensus before anything is implemented.

Like I said, I can't guarantee that there wasn't a discussion in 1990 or 1991 or 1992 before my arrival there, but it's quite a different process from what the government does in its relationship with its various ministries.

1740

Mrs Caplan: I know that Management Board Secretariat is interested in good business practice and greater efficiency; we've heard the presentation. The story I'm going to tell you is true. It has nothing to do with information technology, but I think it's the sort of thing that does drive taxpayers crazy.

What you have just described is the separateness of the Legislative Assembly and the inability of ministries to work with the Legislative Assembly, and I'm going to give you an example that still today makes me shake my head when I think about it, because it is such a waste, an absolute waste.

I had a computer table in my office here in the main building of the Legislature that I didn't need in this office—we decided to put the computer on an existing desk—but I did need this little table in my constituency office. All we wanted to do was get some help moving the table from the office downtown to the constituency office. So instead of getting a few people to help us put it in the car and move it—which in hindsight is what I would do if I had to do it over again—we made the mistake of phoning the people here who have responsibility for moving things.

Hon Mr Charlton: Management Board.

Mrs Caplan: That's right, Management Board. We asked if they had a truck that was going north, because my office is at Don Mills and Esterbrooke, and if on the way they could just take the table for us because it was a little bulky. The answer was that there was no way they could take the table because the table belonged to the Legislative Assembly and the constituency office was in a separate envelope, a separate vote, a separate budget. However, they would pick up the table and take it to surplus and order a brand-new table for the constituency office.

I went to our House leader, I went to the Clerk. I tried to get this whole thing stopped: "Leave it alone. We'll move the table ourselves. Forget it. I changed my mind." They were very efficient. They came, they picked up the table, they took it to the surplus storage place where it is probably sitting today, unused, and a brand-new table arrived at the constituency office very rapidly, except that I didn't need a brand-new table. What a waste of expenditure, simply because one arm of the government, one ministry, one department cannot talk to another.

Hon Mr Charlton: Remember that they're not both arms of the government.

Mrs Caplan: When people think of the government of Ontario, I think they think of all your ministries, they think of the Legislative Assembly, they think of agencies, boards and commissions and they think of the 82,000 public servants, regardless of which ministry, agency, board or commission. They also think of all 130 members of the provincial Legislature. The fact that you can't get one department to transfer a table to another department, to me is not only wasteful government expenditure, it is inefficiency and it is the sort of thing that drives taxpayers nuts.

Hon Mr Charlton: I don't disagree with you that the structure here that separates the Legislative Assembly from the government is a confusing one to the public. It is, however—

Mrs Caplan: It was confusing to me, and I've been here nine and a half years.

Hon Mr Charlton: No, no. When we set up the Provincial Auditor, who does the Provincial Auditor works for? Does he work for the government? No, he works for the Legislative Assembly.

Mrs Caplan: If you were to ask the people of this province who the Provincial Auditor works for, they would say he works for the government.

Hon Mr Charlton: I agreed that it is confusing to the general public. I asked you, Elinor, what do you know about the system?

Mrs Caplan: I know he reports to the Legislative Assembly, but I believe he works for the government—

Hon Mr Charlton: Well, he doesn't work for the government.

Mrs Caplan: —because I believe the Legislative Assembly is part of the government. If we deny that—

Hon Mr Charlton: No. The Legislative Assembly is 130 members.

Mrs Caplan: Then, Minister, I have to criticize you during these estimates for not being willing in your new thinking—you used the words; I wrote them down several times—that you are “re-engineering, redefining, rethinking.” Some very fundamental questions about how government relates to itself have to be answered if you're going to have true efficiency.

Hon Mr Charlton: I know, and I can tell you right now, Elinor, what the response of your respective leaders and House leaders would be if this minister even dreamed of doing anything to take control of the Legislative Assembly and its expenditure habits. I would get shot, drawn and quartered, and then fired.

Mrs Caplan: No one is suggesting taking control. You used the word “cooperation.” It's not a question of control, and I'm worried when you confuse control with cooperation or getting people to work together efficiently.

Hon Mr Charlton: Elinor, you raised with us the specific example of your desk here that you wanted to get to your constituency office. I don't know when that happened, so it's difficult for me to comment, but I know that nobody from your caucus raised it at the Board of Internal Economy in the last year and a half, because if they had we would have dealt with it. Secondly—

Mrs Caplan: It happened so quickly that it was actually done and finished before the next Board of Internal Economy meeting, but Murray Elston, who was our House leader, was aware of it.

Hon Mr Charlton: Secondly, as you've said, although the staff who provide the services here in the Legislative Assembly in terms of the moving of furniture and the maintenance of this building in fact work for Management Board and are on contract to the Legislative Assembly, the Legislative Assembly has on many, many occasions, even though it has very strict and sometimes dumb rules—strict rules are sometimes dumb; sometimes they're right on, as you well know—the Legislative Assembly has on many, many occasions over the 17 years I've been here made precisely the kinds of special arrangements you're talking about when the right questions were asked at the right places.

I'm not familiar with when your case happened or whether it was raised with the board. I just don't know what happened there—

Mrs Caplan: It was.

Hon Mr Charlton: —but I'm aware, for example, of three cases we've got on our next agenda, all of which are anomaly cases that don't fit the normal rules and all of which we will sort out at the Board of Internal Economy.

But having said all of that, that has very little or nothing to do with my direct responsibilities as the Chair of Management Board. That's an issue for your House leaders and me, wearing my other hat as government House leader, to deal with at the Board of Internal Economy, because it is Legislative Assembly rules that caused the problem, in spite of the fact that technically they are Management Board staff who would have actually picked up the desk and carried it. When they work here, they're directed by the assembly.

Mrs Caplan: The other area I'd like to talk about is the area of joint management agreements you have in place. I know there's a lot to talk about on information technology and I'd like to do it at a time when perhaps we have a little more time to talk about that, but I thought I could take more of a scattergun approach today during these first discussions.

The joint management agreements that you have I find interesting, and I have to tell you that I'm very supportive of the notion of joint management. The concern I have about them—and you referred to one with the pension plans with OPSEU. I'm watching that very carefully. I don't start from the notion that it's not a good idea. I know there's always been a lot of resistance to the notion of joint management. But the question I have about it is, what provision do you have when you can't agree and you are talking about huge amounts of dollars that the taxpayers and therefore the public have an interest in? What would happen if you can't agree? Whose will prevails, or is the management of the plan stagnant because you can't agree?

Hon Mr Charlton: Do you want to jump on this one, Jim, or should we ask Phyllis to do it? I once knew the answer to this too, Elinor. I just can't remember what

they finally decided was the best mechanism. There were about three that got looked at.

Mr Thomas: First of all, before Phyllis gets into some of the details, I've had experience in negotiating the teachers' pension plan arrangement that happened several years ago, and one of the things I learned there and that staff said also happened when they split the government pension plan into the OPSEU part and the non-OPSEU part is that finding yourself responsible for a multibillion-dollar asset is a sobering experience.

It doesn't matter whether you're on the employer side or the union side, or the association side in the case of the teachers: You take a different approach to managing things than you might have if you were across the table from each other in a collective bargaining situation. I think you start with the proposition that everyone comes to the party. If they didn't come to it with a sense of being very careful about fiduciary responsibility, they soon pick it up. I say that because for the most part the decisions get reached in a consensus way very, very rapidly.

My understanding with respect to the OPSEU pension plan is that there's a provision in the agreement that if the parties can't agree on a particular issue, there's a person who can go out and appoint someone who in effect becomes a dispute resolver, whether it's an arbitrator or whichever word you want to use. I'm not sure what word's in the agreement.

1750

The Vice-Chair: Could I just ask the staff to identify themselves for the purposes of Hansard before they start answering questions.

Ms Phyllis Clark: I'm Phyllis Clark, assistant deputy minister, strategic policy division. I've got Richard Lundeen here as well, an assistant deputy minister who has worked on the pension deal.

Jim is exactly right in terms of the structure of how disputes would be resolved should they sit at the board of trustees. There will be someone who would be appointed called an 11th trustee. This would be a person who is appointed to the board itself so will have fiduciary responsibilities with regard to the plan. I think you know that means all stakeholders' interests have to be considered while a decision is being made. So only in instances when a tie is arrived at with regard to the plan would this person be brought in. The person is a fiduciary, is a member of the board of trustees and has to make a decision in that context. We are arriving at a list of people we will agree on between the government and OPSEU of potential people to come in, and we will work our way through that list on a rota basis.

Mrs Caplan: One of the concerns I had when the deal was announced was that that list had not been arrived at prior to the agreement. How far along are you now in getting agreement on the list?

Ms Clark: We've now established the trustees and we will work to establish the list in that arrangement, but also you have to note that the framework for the agreement of the pension plan itself is not established by the trustees. The trustees are the administrators of the plan as

it exists, so they don't reach agreements you would have to arbitrate because it will be in the context of what the plan is as it stands with the trust agreement and the sponsorship agreement. I believe we do have the time to select those people, because we have not reached a stage of disagreement over administration.

I think the other thing to note is that the deal is set up so it's a partnership arrangement with 50-50 sharing of risks and rewards, a feature we didn't have formerly. This in itself acts as a natural check on anything, from both sides, to enrich the plan beyond what people feel the means of the people supporting the plan is.

Mr Thomas: If I could add another point, I think one of the things that's interesting about the structure is that there are co-chairs.

Ms Clark: Chair and vice-chair.

Mr Thomas: Chair and vice-chair, and there isn't a person in the middle there, the way there would normally be in a bipartite board with a neutral. This way, it seems to me, having the 11th trustee, you end up being able to make sure there isn't a chair who gets burned by having to make a decision on one side or the other. You have a roster you can go to, and they are a fiduciary.

Mrs Caplan: The concerns we expressed at the time were not because we were in any way opposed to the concept of joint management; in fact we had had those discussions way back when, around the development of a joint plan management on the teachers' fund. Unfortunately, we were not successful, because when it came down to the question of what you do if you can't agree, the mechanism that would ensure that the public interest on a fund, which at that time was something like \$20 billion, and it's probably that and more now—ensuring that the public interest test was there.

So I watched with interest the development of the joint management plan. I don't start with any negative views, just the concern as a legislator who is elected to ensure that the public interest and fiduciary responsibility are being properly attended to. It's in that spirit that I ask the question. When do you think you're going to have the list of the 11th trustee available?

Mr Richard Lundeen: I'm Richard Lundeen. Just to give a sense of the timing, in fact the board of trustees had its first meeting yesterday. It doesn't officially take over responsibility for administration of the pension plan until January 1. In the meantime, the existing arrangements carry on.

The second point is that in the event that a dispute arises, that a tie occurs at the board, the nature of the person chosen to be 11th trustee will depend to some extent on the issue that's in dispute. It isn't just a roster where the next person on the roster comes up regardless of the issue; there will be a group of people identified jointly. We're planning to have that in time for January, but with the nature of the issue determining who is actually chosen as the 11th trustee.

Mrs Caplan: Have you evaluated the value of the plan?

Mr Lundeen: There has not been a re-evaluation of the plan. What we have done is taken the valuation of the

public service plan, the last one which was done, as a starting point, and there is now a process under way, being done jointly with the union and with the administrator of the public service pension plan, to roll forward the assets and roll forward the liabilities to calculate the actual assets as of January 1.

Mrs Caplan: AMAPCEO had some concerns about the duplicate administrative costs their plan would have to bear as a result of the splitting of the plans. Have you been able to work that through with them to their satisfaction?

Ms Clark: Actually, I'm not sure they raised concerns about the duplicative administrative costs, but we are undertaking to meet with AMAPCEO on these kinds of questions. We had extensive meetings with them around the same period of time as we reached the agreement with OPSEU, and they signalled their willingness and desire to continue with those discussions and we're going to be re-entering those discussions quite soon.

Mrs Caplan: So you haven't met with them yet. I know they expressed a number of concerns about the splitting of the plan. One was the viability of their own plan, which is a very legitimate concern that anyone would have if they were split off from a bigger plan, but they had also mentioned to me the concerns about the cost of the duplicate administrative structure. I just tell you that so you can prepare for your meetings with them, and I hope it's able to be resolved in a way which ensures the viability of the plan at a cost which is reasonable, given the fact that they shouldn't have to pay a higher price simply because the plan has been split.

Hon Mr Charlton: We don't disagree in that respect at all, Elinor. One of the things we said in correspondence to all the members of the OPS plan at the time we announced the agreement we'd reached with OPSEU was that, first of all, nobody's pension would be affected and, secondly, that nobody's contribution rate would be affected as a result of the decision to split the plan; that all of their benefits were protected and that any costs associated with the splitting of the plans would in fact be paid for, in essence I guess by the OPSEU plan itself.

Interestingly, when you spoke earlier about some of the specific questions around the splitting of the OPSEU

plan, we're either at or very close to reaching some agreement around the CAAT pension, the community college teachers' pension, which has traditionally been not OMERS but in OMERS, as in managed by OMERS for them. We're in the process of finalizing—we may not have crossed all the t's and dotted all the i's yet—a joint trusteeship plan with them as well.

Mrs Caplan: And they would withdraw from OMERS?

Hon Mr Charlton: They will withdraw from OMERS over time. I think in the short run OMERS will continue to manage, but in the long run they will create their own management.

In any event, I only raise the issue to say that you've raised a number of issues that are important in joint trusteeship around the public interest, especially in public pension plans. Each of these plans will have a slightly different face that's suitable to the nature of the bargaining unit and the nature of the employers involved, so the CAAT plan will be slightly different than the OPSEU plan, which is slightly different from OMERS, which is slightly different from HOOPP and from the teachers and so on. But the minute you get into, as Phyllis has said, the question of joint responsibility, both around the gains and the liabilities that will accrue in the future, it's a very quickly sobering experience when you then have to sit down and agree on the structure under which that plan will operate, that plan that in fact could reach very deeply into your pocket on either side if you haven't made the right decisions about what the structure should be. All of that, in all cases, is being done very carefully.

We may have negotiated that agreement with OPSEU in a record three weeks last spring, but my staff will tell you that some of them are still working until they're blurry-eyed as they go through the process of clarifying all the operational detail of what that board will look like and how the plan will operate.

The Vice-Chair: Thank you, Minister. It's 6 o'clock, and about one hour and 42 minutes have elapsed. We will resume sitting again tomorrow in room 151 to continue dealing with the spending estimates of Management Board Secretariat. This meeting is adjourned.

The committee adjourned at 1801.

CONTENTS

Tuesday 1 November 1994

Management Board Secretariat E-715

Hon Brian A. Charlton, chair, Management Board of Cabinet
Jim Thomas, deputy minister
David Girvin, assistant deputy minister, technology division
Phyllis Clark, assistant deputy minister, strategic policy division
Richard Lundeen, assistant deputy minister, corporate priorities division

STANDING COMMITTEE ON ESTIMATES

- ***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)
- ***Vice-Chair / Vice-Président:** Arnott, Ted (Wellington PC)
- ***Acting Chair / Président suppléant / Présidente suppléante:** Lessard, Wayne (Windsor-Walkerville ND)
- *Abel, Donald (Wentworth North/-Nord ND)
 - Bradley, James J. (St Catharines L)
 - Carr, Gary (Oakville South/-Sud PC)
 - Duignan, Noel (Halton North/-Nord ND)
- *Fletcher, Derek (Guelph ND)
 - Hayes, Pat (Essex-Kent ND)
 - Mahoney, Steven W. (Mississauga West/-Ouest L)
 - Ramsay, David (Timiskaming L)
- *Wiseman, Jim (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Caplan, Elinor (Oriole L) for Mr Bradley
Cooper, Mike (Kitchener-Wilmot ND) for Mr Duignan

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service

CAZ ON

XC26

-E77



E-37

E-37

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Third Session, 35th Parliament

**Assemblée législative
de l'Ontario**

Troisième session, 35^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 2 November 1994

**Journal
des débats
(Hansard)**

Mercredi 2 novembre 1994

**Standing committee on
estimates**

**Comité permanent des
budgets des dépenses**

Management Board Secretariat

Secrétariat du Conseil de gestion

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 2 November 1994

Mercredi 2 novembre 1994

The committee met at 1605 in room 151.

MANAGEMENT BOARD SECRETARIAT

The Chair (Mr Cameron Jackson): We've convened today to continue with the estimates for the Management Board Secretariat. We have approximately five hours and 45 minutes remaining. Yesterday we commenced the estimates, and by agreement we were going to begin today by receiving the opening comments and questions from the third party critic. Mr Stockwell.

Mr Chris Stockwell (Etobicoke West): Thank you. Actually, I didn't realize I was leading off today, so I was rather surprised.

The Chair: Sorry to shock you.

Mr Stockwell: Yes, you did.

Mr Jim Wiseman (Durham West): We have faith in people like you.

Mr Stockwell: Yes? I don't.

Mr Chair, do I just make the comments or can I—

The Chair: It's your 30 minutes to use any way you choose. If you wish to have opening statements or to engage in question and answer, it's entirely your time.

Mr Stockwell: Is it appropriate to reserve our time on the opening 30 minutes?

The Chair: No, not past this point in the standing orders. I should indicate to the members of the committee that Mr Stockwell may, during the course of these estimates, be required to be in the House for a bill which he's responsible for as well and will have the committee's indulgence in that regard. Having said that, Mr Stockwell, we're in your hands.

Mr Stockwell: Okay. In dealing with the report before us, I think I'll simply go to direct questions to the minister, if that's okay by you, through the Chair.

In the overview statement of the ministry report that I received, the Management Board Secretariat estimates briefing books, on page 5, the mandate, purpose, strategic directions and priorities and so on, you outlined, "Jobs and the economy: support Ontario's recovery from the recession through job creation and worker training."

Ontario government relocation program: Briefly, can you tell me the costs associated with the programs you're speaking about in the Ontario government relocation program, the costs to the government in relocating the programs here?

Hon Brian A. Charlton (Chair of the Management Board of Cabinet): The costs for the relocation of staff or the costs per relocation of—

Mr Stockwell: The cost to the government.

Hon Mr Charlton: The total cost of the program is what you're asking for?

Mr Stockwell: Yes.

Hon Mr Charlton: Okay. I think that one is best dealt with by staff.

The Chair: Would the staff members please identify themselves for the record. You were present to hear the question, and please respond.

Ms Susan Waterfield: I'm Susan Waterfield, assistant deputy minister of operations. There's a range of costs for the staff, so it's difficult to give an exact figure. That is because at this point in time we do not know how many people will be moving or not moving to many of the locations, so it is hard for us to give an actual estimate to you at this time. It could range up to about \$30 million.

Mr Stockwell: Sorry?

Ms Waterfield: Up to about \$30 million for all costs.

Mr Stockwell: And that is just the costs of staff?

Ms Waterfield: Yes, for all moves. That's right.

Mr Stockwell: Okay. So that would include building, office space, furniture, all the—

Ms Waterfield: No. That would be the cost of moving the staff—yes. Not office buildings, not the actual buildings but the actual cost of moving, the cost of severance for the staff—not severance, but the cost of—you know.

Mr Stockwell: Yes, I do.

I'm sorry, I don't know your name.

Mr Tim Casey: I'm Tim Casey, assistant deputy minister for the realty group and chief executive officer for the Ontario Realty Corp. I can get you the total cost for the building in a couple of minutes.

Mr Stockwell: Right. Maybe more politically speaking, maybe to the minister, this is sold on, I guess, the basis that this is growth in the markets we're sending people to. With \$30 million for staff alone, I would assume there's a reasonably expensive portion attached to the office space, building and so on.

On what basis do you consider this to be a responsible expenditure, I suppose, when you're talking \$30 million in staff salaries and really it's of no value? There's no new money put into the economy. Severance packages would be included. It's a cost to the taxpayers that appears to have absolutely zero benefit with respect to new jobs or creation of jobs.

Hon Mr Charlton: First of all, I'll comment. I imagine the deputy and staff would like to comment as well, but I'll make some comments on this one first.

First of all, you mentioned severance packages. Although all of the employees affected by government moves out into the province who are covered by the OGRP are covered by what we negotiated with the union as a job offer guarantee, there are, and will be, very few severance packages involved. The job offer guarantee is a process that guarantees the employees a job, and they get two shots. In other words, they can turn down the first one. But there is a mechanism for the government to complete its obligation to those employees, and to date that program has been extremely successful at placing those employees with little or no cost.

If you had been here when I went through my opening comments yesterday, one of the things that we've done, for example, is that in addition to giving some of those people advance access to a number of the things that we provide people with, job offer guarantee including counselling and so on so that they can in fact start to prepare themselves before the move actually occurs, we've also recently extended a job trading program.

One of the things that we found right through the OPS is that there are a significant number of people who are interested in moving outside of Metro Toronto. There are also a significant number of people who wouldn't move under any circumstances. We've set up a job trading program where people can be put in touch with others who might be interested in doing job trading. So there's a range of things happening.

Mr Stockwell: This is really interesting, and I appreciate the information, but the question is, is there a benefit that people in Ontario see to the expenditure of the \$30 million? I understand that there's job trading and so on—I don't mean to interrupt—but the question is, where is the benefit to the taxpayer? Is there any end-value benefit other than simply moving a ministry office, period, case closed? I can't see any new business.

Hon Mr Charlton: All right. Let me run through some of that. There is a fairly wide variety of benefits that get delivered across the province by decentralization. That's something that was established as long as 15 years ago when governments first started the process of decentralization. The member's aware that all of the relocations that are proceeding in the current round of circumstances are moves that were in fact started by the previous government.

Mr Stockwell: Yes, I am.

Hon Mr Charlton: We cancelled some of those moves for essentially fiscal reasons about two years ago. Others of the moves were far enough along that the losses we would have suffered in any event would have been significant in terms of the expenditure of taxpayers' money, because they were that far along in the process. But, in addition, there are benefits besides just decentralization or access of the people of this province to their civil service, to the administration and delivery of services to them. The economic benefits that accrue to small and medium-sized communities across this province happen to be very significant in their impact.

Mr Stockwell: Within those communities.

Hon Mr Charlton: Within those communities.

Mr Stockwell: But you would agree, whether or not this gets moved, there is the same economic benefit to the province whether that ministry happens to be situated in North York or whether it's situated in St Catharines. You would agree there's no new economic benefit.

Hon Mr Charlton: Well, that's if you assume, Mr Stockwell, that nothing else on the face of the earth is changing. We have also, as you're well aware, been going through a significant reorganization and downsizing process in the OPS, and the numbers of people who work in Metro Toronto, because that's where the bulk of government has been, although there are going to be reductions in civil service operations across the province as well, are going to shrink whether we do the OGRP program or not.

Mr Stockwell: Agreed.

Hon Mr Charlton: If you go back to the part of my comments that you cut me off in the middle of before you got the opportunity to start to understand the significance of those comments, the processes that we've set up and our ability to redeploy those people who get surplus because they don't want to move into the system in any event means that at the end of the day in Metro you're going to have a reasonably constant number of people working in the OPS as well as having created the economic stimulus out there in the province.

Five years ago, this government had no ability to either retrain or redeploy employees. When governments went through downsizing cycles, like they did in 1981, 1982, and 1983, they put people out on to the streets. We haven't been doing that in any of the processes we've been involved in.

Mr Stockwell: I suppose we can get into a long debate on whether you're just blowing hot air or not, but we won't, because the fact is, I don't know how moving a ministry would create any more employment in the province except cost taxpayers money. You're telling me it cost us \$30 million to move the ministry. You're not creating any more jobs. You're just taking these jobs from here and moving them to here. In some kind of mixed-up fashion you've convinced yourself—

Hon Mr Charlton: There are construction jobs associated with many of the new buildings associated with the OGRP, which are new jobs.

Mr Stockwell: What about the old buildings? Do they sit vacant? The bottom line is, you're not creating anything. You're moving this ministry from here to there, and somehow, in convoluted fashion, you've decided—

Hon Mr Charlton: With rather significant long-term operational savings.

Mr Stockwell: In your mind. With a significant—

Hon Mr Charlton: Not in my mind; in reality.

Mr Stockwell: With a significant upfront cost that you're not building into the equation.

Hon Mr Charlton: As I said to you, if you'd stop and listen to what I said, the projects under the OGRP that we're proceeding with—

Mr Stockwell: I am listening to what you said, Mr Minister. I wish you'd stop saying that. I understand and I'm listening to what you're saying.

Hon Mr Charlton: —are those around which the taxpayers of this province have suffered—

Mr Stockwell: Maybe if you stopped and listened to what I said.

Hon Mr Charlton: —significant losses in any event because they were that far along in their development.

Mr Stockwell: And I never argued that point. The point I'm asking about is where Ontarians are going to benefit from these moves. Fundamentally, I'm not agreeing with the other government. I don't think there's a benefit at all in moving a ministry, except it costs you money.

To move on, Management Board had a far wider role previous to the announcement of treasury board by your government. Management Board, as far as I can tell, carried on a lot of the duties that treasury board I think is in fact doing today.

Hon Mr Charlton: All of them.

Mr Stockwell: All of them, right. Could you tell me the costs, and I think I'd like some actual numbers, that the ministry was running at when treasury board didn't exist and the cost of the ministry today, now that treasury board does exist?

Hon Mr Charlton: You have to ask more in your question than that if you want to get numbers that mean anything to you, because we also consolidated another ministry into that whole process.

Mr Stockwell: The global dollars cost of Management Board pre-treasury board and the global dollars cost of Management Board post-treasury board.

Hon Mr Charlton: Like I said, you haven't asked enough of a question yet.

The Chair: Minister, would it be too much—

Hon Mr Charlton: In addition to those two changes the member's asked about—

The Chair: Excuse me, minister.

Hon Mr Charlton: —we've also taken the old—

The Chair: Minister, please. It is incredibly helpful for a minister and his staff who are present, having held a question from any member, regardless of which political party they are from, to try and attempt to answer the question.

Hon Mr Charlton: That's what I was attempting to do.

The Chair: We'll get to that in a moment. I just want to make sure we set the tone properly for this, that in fact you're here at the invitation of the committee to assist, and any assistance you can give any member of this committee as a courtesy is always appreciated. But, frankly, we're quite unaccustomed to being told whether or not our questions are being asked properly or not.

1620

Hon Mr Charlton: If I could explain, Chair—

The Chair: I would ask you, Mr Minister, please, if we could just work in—this is a process which is

required by the standing orders for us to go through, and if we could have your fuller assistance in that regard, I'd appreciate it.

Hon Mr Charlton: You most certainly can, and what I was just going to suggest to the member is that there have been two things happen with the ministry. One, treasury board has been created and the functions that Management Board used to perform, that treasury board now performs, have left. In addition to that, the Ministry of Government Services has been rolled into Management Board, so there are a set of three changes that we need to look at if you want to be able to do the comparison the member was trying to get at in his question.

Mr Stockwell: Thank you, Mr Minister. Then possibly, since Government Services doesn't exist any more, you may well add in the cost of Government Services to the post-Management Board. So if you had those figures, I'd appreciate hearing them.

Mr Jim Thomas: Can we undertake to get those for you, Mr Stockwell?

Mr Stockwell: Yes. Staffing, too; could you also do the staffing numbers as well with respect to post-treasury board and pre-treasury board? Mr Chair, those numbers are rather important to me. In my question I think I had about 15 minutes left, and I'd appreciate it if we could just gather those brief—is it going to take a long time, do you think?

The Chair: We would require you to—if it's verbal from the audience, we'll need to put it on the record. I think the indications, for purposes of Hansard, are that you'll need a few days?

Mr Thomas: Yes. I don't think we have the information on Government Services. I think we'd like to get back with the right answers, both with respect to the dollars and the numbers of staff, Mr Stockwell.

Mr Stockwell: Okay. How about staffing? Are staffing levels something you can offer me up now? Is that something that's going to take a while to—

Mr Thomas: In terms of the pre- and the post-treasury board and the MGS, MBS?

Mr Stockwell: Yes.

Mr Thomas: I don't think we have those figures with us.

Mr Stockwell: How about just staffing today with respect to Management Board?

Mr Thomas: Staffing today with respect to Management Board, which is the inclusion of Government Services minus treasury board, is in the 3,000 FTE range.

Mr Stockwell: Do you have any recollection of what staffing was pre-treasury board?

Mr Thomas: The sum of MGS plus the old MBS?

Mr Stockwell: Yes.

Mr Thomas: No, I don't. I do know that the Ontario Realty Corp, for example, which was part of MGS, has gone from something in the 1,800 FTE range to about 1,400, and I know there's been a consolidation of the corporate services departments in the old MGS and MBS, and I think that's resulted in something in the order of 100 FTE reduction, the consolidation. I don't have the

information here with me, Mr Stockwell, on the other parts of it.

Mr Stockwell: If there could be another request of the ministry, if staffing as well as salaries could be folded into the equation, total gross—

Mr Thomas: You mean the total salary envelope?

Mr Stockwell: Yes, and if there's any way that you're working on contract basis, if you can fold that in, too; your old contract numbers as opposed to your new contract numbers.

Really, those were very germane to the questions that I had related. If I can stand down whatever 10 minutes I have and further on in the discussion get back to it—if not, I'll stand my time down.

The Chair: I understand the minister is now given an opportunity, if he'd like, to provide some further responses. If not, then we can move into regular rotation.

Hon Mr Charlton: I don't think particularly there's anything I need to add to the response. We'll try to give a full response to the last set of questions that have been raised as quickly as we can get them.

The Chair: The House won't be sitting next week and we will be reconvening in two weeks on regular committee time, Tuesday and Wednesday, so hopefully we'll have the responses for then. If they can be provided to the clerk, they'll be distributed to all members of the committee prior to that, which would be very helpful.

My understanding is that the committee has already commenced rotations. We've had a period of questioning from the official opposition. Mr Stockwell, you've completed that portion of your time. You are eligible for some time now if you'd like to take it. No? Fine. Then I have Mr Fletcher.

Mr Derek Fletcher (Guelph): Just to follow up on what Mr Stockwell was talking about—let me be more specific: I'll speak about the OMAF move to Guelph. This is more for me, my constituents. I'm just wondering if you can explain to us in terms of employees moving to Guelph, the economic spinoffs and any money that's coming through construction, what this means for my community, the move of OMAF to Guelph.

Hon Mr Charlton: You've just heard some general discussion about the OGRP. Probably we should ask Tim to come forward and give you some of the specific details around the OMAF Guelph move.

Mr Casey: The new building in Guelph, which will house the Ministry of Agriculture, Food and Rural Affairs, will accommodate the almost 900 positions that are going to be relocating from Toronto and are being consolidated out of the Guelph area. This activity will exist at Stone Road West and Gordon Street and it's on a larger site that's already occupied by some other Agriculture and Food facilities: the food and safety pesticide lab and the milk testing lab. It essentially allows them to consolidate a number of their functions at one location.

The building was designed by Norr architects out of Toronto. The total gross area is about 532,000 square feet, which is quite a large building, particularly for Guelph. The general contract was awarded this past May

to PCL Constructors Eastern Inc of Mississauga, and its value is about \$50 million. The construction began in early June and is expected to be completed in mid-1996, with occupancy in the fall of 1996.

At the present time the project is about 13% complete in terms of the construction spending, and we calculate roughly that the job creation for this particular project is about 1,750 jobs. All together, for the entire relocation, for all the different buildings, the five facilities, it's about 7,500 jobs.

Mr Fletcher: That's 7,500 jobs in total. Does that includes the construction of the building and the relocation of employees?

Mr Casey: The 7,500 jobs is for construction for all five of the relocation building facilities. For Guelph, it's 1,750 jobs.

Mr Fletcher: How many people have transferred to Guelph, a ballpark figure? How many have accepted the transfer?

Mr Casey: I would have to get that information from the Ministry of Agriculture, Food and Rural Affairs.

Mr Fletcher: The reason I'm asking is that if some people don't wish to move and they do get another job offer—they get, as the minister said, two shots at a job offer guarantee—is that going to increase the civil service down the road when you hire more people in Guelph?

Hon Mr Charlton: Susan can get into some of that side of the question, but, as I said earlier, to date the whole downsizing process has been very successful at not only, on one hand, delivering surplus notices to individuals as we've downsized but in redeploying those, because there are a number of other processes going on at the same time.

For example, the factor 80 program, the retirement program, which has now been extended to the year 2000, is giving most ministries, and overall in our redeployment efforts, the flexibility to allow us to on the one hand surplus people and on the other hand downsize the total size of the OPS, at the same time as, for the most part, being able to protect those who want to remain working. In some cases it's meant some minor retraining, and in other cases we've had some experience with job trading, where people have actually swapped jobs with somebody else and so on.

Ms Waterfield: We have a fairly high attrition rate in the OPS. Over the last two years we've had a fairly high attrition rate, so those people would be redeployed in the vacancies created when people resign or retire.

1630

Mrs Elinor Caplan (Orlino): Can you tell us what that rate is?

Mr Fletcher: It's my question.

Mrs Caplan: As a legitimate supplementary.

Ms Waterfield: I can give you a ballpark number. I'd have to come back to you with a full number. The attrition this year is estimated at about 2,700 people. Last year it was around 4,500, I believe, and that's because that was the first year of an enhanced factor 80 program for the early retirement program, which was part of the

downsizing adjustment strategy the government put in place.

Mr Thomas: And that's on a base of something in the order of 82,000 to 83,000 employees.

Ms Waterfield: That's right, on a base of approximately an adjusted average of 82,600.

Hon Mr Charlton: In addition, we expect those numbers to gradually increase as the economy recovers and people get more flexibility, as they had a few years ago.

Mr Fletcher: So there are a number of people moving to Guelph. Our city council and everyone else is very happy about the move to Guelph, because it does mean there will obviously be people who will be needing homes, needing furniture perhaps, also spending money in Guelph. I understand there have been a number of people who have already made the move to the city, and we're very happy about that.

Let me hit on another point Mr Stockwell was talking about: Metro Toronto, saying there are a lot of vacant buildings, a lot of vacant space that should be filled up; also, that another complaint is that these projects don't save the government any money in terms of moving out of Toronto and relocating. Can we have a comment on that?

Hon Mr Charlton: I can't give you any precise numbers. We could probably come up with some specific numbers for you; Tim or Susan may have some; I'm not sure. But one of the things we're certain of is that in the analysis of the moves we're proceeding with, there is a long-term saving. Mr Stockwell's right that in the short term there is a cash cost to those relocations, both in terms of the relocation of employees and in some cases, but not all cases, the construction of a new building or whatever it happens to be to provide the accommodations. Even in the long term, there will be operational savings to the taxpayers of this province as a result of those relocations and much cheaper ongoing costs across the province than what we find here in Metro.

Do either of you have any specific examples?

Mr Fletcher: The rents aren't as high in Guelph as they are around here.

Mr Casey: I could comment about some of the buildings they're relocating out of. For instance, the Ministry of Agriculture, Food and Rural Affairs is moving out of the building at 801 Bay Street. You can probably recognize that particular building because the cladding on it is held up by very large lag bolts that are quite visible. The building is far outdated and it's a building that we would be getting rid of at some point in the foreseeable future in any event, so we would have to accommodate those people elsewhere.

The building the Solicitor General is moving out of for the OPP is coming out of 90 Harbour Street. That is a building that's in a prime development area. The building is old, outdated, particularly for the type of uses it has now. The OPP will be gaining significant efficiencies in consolidating their activities in Orillia. Again that would be another building we would be looking at getting rid of.

The Downsview site for St Catharines is another building that may have other development potential on that site for other uses. It's not a particularly well-utilized site at this time.

The Ministry of Culture, Tourism and Recreation is largely coming out of leased space into owned space, and we find that usually, if you're going to be occupying space running anywhere from 18 years to about 22 years, it pays to own it as opposed to leasing it.

Mr Wiseman: It's not going to come as a surprise to a lot of people, but I've long held the notion that having green industries will create a large number of jobs. I know Management Board has been active in pursuing the green industry concept, the green workplace concept, so I'd like to have some of the numbers and figures about retrofitting the buildings for water conservation, what new systems have been put in place to reduce the amount of garbage being produced and sent to landfills, what impact that's having on budgets, how fast we're moving in that area.

Also, what kind of opportunities are we creating through these government partnerships through Management Board? Have we perhaps been able to promote the growth of green jobs in the private sector that wouldn't normally have been there had we not moved in this direction?

Hon Mr Charlton: Again I'm probably going to have to call on staff to give you some of the specific numbers, but certainly there have been, as you're aware, a number of initiatives we've pursued around the questions of retrofitting government buildings, both around electrical energy use and water use, that you've raised. We've also had the green workplace and Maximum Green waste programs, which have been particularly successful.

My recollection is that the greening program hit its initial targets about two years—or was it three years?—ahead of schedule. That was for a 50% reduction in waste, and we've now moved into, what, five complexes with Maximum Green, which is on average pursuing another 50% on top of that, so up to 75% waste reduction in some of those facilities. The staff can probably provide a lot more detail than I have in the back of my head.

Mr Dave McGeown: I'm Dave McGeown, the ADM of supply and services. Just talking about the government's green workplace program, as the minister pointed out, we had a program which was set to reduce garbage by 50% over a five-year period.

We in fact reached our goal two years early. The concept was trying to reduce the amount of waste going to landfill. As I say, this was actually accomplished early in December 1992. We've moved on now, and the goal is not 50% but to halve that again; in other words, to save almost 75%. This is being done at six government buildings, including the ministries of Government Services, Environment, Health, Labour, Attorney General, Comsoc and MTO.

The other area we're focusing on is energy and water conservation. We had a goal of 20% reduction through energy conservation by the year 2000 and we're holding on to that goal—we think that's achievable—and also to

reduce water consumption. We've installed thousands of aerators in faucets and reduced water flow by up to 90% in those areas.

Mr Wiseman: What was that percentage again?

Mr McGeown: Up to 90%. Another area where we have introduced green workplaces is in the area of purchasing. In any purchase over \$10,000 there are environmental considerations.

I can give you an example of that. A recent photocopier contract required all the suppliers to first of all propose remanufactured machines as well as new machines, and we actually rated those as equivalent; in other words, as long as the remanufactured machine met all the same characteristics in terms of volume and energy consumption and so on as the new machine, it was treated the same way. We included looking at the energy consumption of the machines and things like toner cartridges being recycled rather than new. I've looked at a recent contract in toner cartridges and some of the recycled cartridges are actually about 50% of the cost of a new one.

Another area where I think we've been very successful and it has created some new industry is in the area of composting. We've introduced a number of pilot composting facilities, many in jails, provincial schools and psychiatric facilities. One in particular, at the Ontario Science Centre, which is an in-vessel composting system, was actually awarded the Wright Environmental Technologies award this year. One of the staff was telling me, as a matter of fact, that that particular composter has been bought by the US Air Force as they're looking at it for aircraft carriers. I suppose it's hard to find a place to dump when you're off at sea.

1640

Mr Wiseman: They used to just dump it into the ocean.

Mr McGeown: Yes, and of course they're not allowed to do that any more.

Corrections Canada actually purchased 47 units for prisons across Canada, and there's a private company in Durham that is proceeding with a 150-tonne-a-day unit. That's a very large composting facility. It's right up there with anything in the world today.

We've also introduced vermiculture at the Brockville Psychiatric Hospital. That's using a type of worm that actually composts food waste from the psychiatric facility. It in fact is handling most of their waste. They are saving several thousand dollars a year in dumpage fees—I think it's about \$14,000—as a result of that composter. The composter pays for itself in about two and a half years at that rate.

Hon Mr Charlton: In terms of these composters, Jim, I think you've seen a couple of them in operation.

Mr Wiseman: Yes, I have.

Hon Mr Charlton: The process is quite amazing, quiet and odourless. Although I've supported for many, many years an approach to composter technology, I've always expected that when I got near one, I'd know I was near it, and that wasn't the case at all. It's a really amazing technology that's homegrown right here in

Ontario. The company we've been working with, as has been said, has not only got this contract with the US Air Force but is negotiating to build one of these composters at the White House and the Parliament Building in Ottawa.

Mr Wiseman: Is it bullet-proof?

Hon Mr Charlton: It probably is, but I'm not sure it would matter.

I've bumped into the owner of the company a couple of times at different events I've been speaking at in the last two or three months. He's basically thrilled with the response that's resulted from not only the assistance we gave them by working with them and installing some of those composters at institutions but the assistance we've given them by profiling the technology in a number of different ways for them. It's been really helpful in terms of job creation here.

Mr Wiseman: My fiscal friends would want me to ask, do we have a dollar figure on the savings due to the reductions in water, the reductions in the amount of waste going to landfill sites? Can we have an idea of what the real savings are from doing this conservation?

Mr McGeown: We have a dollar figure, for example, on individual composters as they were going through the pilot project. I haven't seen a figure that's rolled up across the government and across all these areas. I think we could come up with a figure that's fairly close to representing the total diversion from landfill. We can get that for you for the next meeting.

Hon Mr Charlton: The question would also have to be pursued across not just all the things we're doing but the fact, for example, that one of the projects resulted in not only reductions in waste but reduction of the use of about a million sheets of paper, which I suppose we'd also have to take into account: the cost of buying the paper in the first place. The costs are going to be substantial, but you're right, we should have a look at rolling up those costs and having a look, on a larger scale, at what we've actually saved as a result of all this, because we've got some numbers on the pieces.

Mr Wiseman: The other part of this is the green purchasing at Management Board. I'd like it if somebody could give me some information about how, for example, buying post-consumer waste, non-chlorine-bleached recycled paper has encouraged industrial growth. I'd like to see if there are any numbers about what kind of impact that has had in terms of promoting private sector companies to get involved in this kind of green production. I guess you wouldn't have those right off the top, would you?

Mr McGeown: I don't have them right off the top, but I can tell you that the definition that we have put in place for paper, both in recycled content, post-consumer content and chlorine, has actually resulted in a mill creating that kind of paper and making that into a regular part of its line, and that particular paper did not exist prior to us defining it in that way.

Mr Wiseman: So we've created a market. Do we know if they've been able to expand on the volumes they're producing now because they've got the economies

of scale from the production from the government?

Mr McGeown: I don't know if that particular mill has or not. I could look into that.

Mr Kimble Sutherland (Oxford): Just regarding the relocation program and the benefits and the economic benefits to the communities, I certainly know in my short period at Management Board and meeting with some of the communities in terms of a downtown revitalization, in some cases of the new buildings, how it would give the focus to downtown revitalization because of the numbers of employers moving there into the buildings to support other types of economic activities and some tremendous opportunities.

With that in mind, I also want to bring to your attention, as I'm sure you're aware, of course, that we have a large government facility in my riding in Oxford that is in the process of downsizing and eventually closing, the Oxford Regional Centre. I do want to put on the record here that Management Board, particularly through the realty division staff, have been extremely helpful as we go through a community consultation process on the future of the site and future options and community involvement. I do want to express our thanks to the staff, who have been extremely helpful working with the community task force to plan that future.

I guess ideally it would be nice if another new relocation program was in the works and we got a perfect site for whatever. I doubt very much that's going to occur in the near future, and I think the community is very realistic in a period of downsizing in general of government that that's not going to occur, but I would certainly hope we can keep that in mind.

The local community and county council have been very active in terms of seeking out other options. They were hoping that a similar situation that occurred in Gravenhurst, where another regional centre was downsized and they were fortunate to get one of the federal prisons to go on that site, would occur in our riding. We weren't successful in that. I believe Kitchener was chosen for one of the women's prisons, although there is some opposition there, and the community has certainly told the federal government that if the people of Kitchener don't want it, we'll certainly take it in Oxford for the jobs and the employment.

I have just a couple of other questions to ask you, or one other one, separate from that issue of the Oxford Regional Centre and the work that is going on there as the community does prepare for the future. There was quite a hassle or kerfuffle made about the ministry counting computers last year and that whole issue of the cost of counting computers and that this seemed expensive in a time of restraint.

I guess I'd like to know what has come out of that process of actually counting the computers. Do we have a better understanding of what we actually have in computer resources and do we have a better understanding of how the different computer systems—I'm not a computer expert, but how those computer systems talk to each other or we can take advantage of getting involved in information highway technology and joint public-private ventures?

Hon Mr Charlton: I'll turn it over to David in just a minute, but first I'd like to make a couple of quick comments on the first issue you raised and then a couple of comments on this one as well.

The regional centre closing in Woodstock—although to be frank with you, because you haven't been on my back, you've been working directly with my staff and ministry officials around that, I'm not as familiar with it, but a couple of comments.

I spent some time up in Timmins just a few weeks ago, where they have a similar situation. The Comsoc regional centre is going to be closed out over the next two or three years, and obviously the community in Timmins was concerned that we were going to move all the civil servants out of downtown and into the regional centre. We've set up a local consultation group that we're working with now in an effort to try and utilize both our facilities and the facilities downtown in the most appropriate and cost-effective way. I think working with the local community we can accomplish that and satisfy everybody's needs. As the recovery goes on, the options for you will grow in Woodstock as well.

David, maybe you want to comment on the overall question around the counting.

1650

Mr David Girvin: David Girvin, information and technology.

With regard to the inventory of assets, certainly one of the benefits of that particular inventory was the fact that there are various silos within government. Yesterday the question was raised in terms of individual ministries or the Legislature. The capacity to deal in an interactive mode between different jurisdictions is an ongoing challenge. There is a variety of different hardware systems, switches and protocols in software in the OPS, and certainly by having an accurate inventory, this was a first start in trying to break down those silos and deal with what they call the interoperability challenge of the system.

The actual evaluation was done on some 2,800 individual sites. Some 130,000 IT assets were listed and independently evaluated in terms of their make, model and protocol, and this allowed for the beginning of a more strategic focus relative to the management and control of information assets within the OPS.

Also, another significant issue with regard to the timing of that particular inventory was the focus at that particular time, which would have been, as I understand it, the fall of 1992, looking at a series of fiscal options, the Ministry of Finance and other ministries, with regard to sale and leaseback and what was referred to at that time as a master contract. Was there an opportunity from a fiscal point of view to consolidate the diverse assets within the information technology field that were distributed among all of the individual ministries and agencies, deal with the sale and leaseback, and then on an ongoing basis deal with economies of scale and synergism around a master contract for the coordination and acquisition of those assets?

Mrs Caplan: Supplementary.

The Chair: Why don't I just recognize you, Ms Caplan, and then you can make this in a full-blown question instead of a supplementary.

Mrs Caplan: How much time do I have?

The Chair: Half an hour.

Mrs Caplan: Thank you. I'd like to say what I heard you say and then see if I've got it right.

You talked about the management and control of the assets and that there was an intent and that the purpose of the evaluation, as you've described it, was to consider a sale and leaseback option for fiscal reasons. Is that correct?

Mr Girvin: It was my understanding that there were three basic premises for that. There was the sale and leaseback, there was the master contract and there was the inventory as far as the strategic management of the assets and interoperability and the diverse nature of the base that we have across the OPS.

Mrs Caplan: Now you spent \$4 million on the evaluation, but you didn't get an evaluation of value. Is that correct?

Mr Girvin: It was a listing of the actual numbers, the types of different assets, 130,000 of them.

Mrs Caplan: They counted them?

Mr Girvin: They counted them with the dates, with the capacities, with this interoperability, the types of software. Therefore the marketplace, as I understand it, would dictate that if you had a PC, you had 15,000 PCs at 286 or 386 etc, the registration number and the rest of it, the sale and leaseback evaluation could be taken from that.

Mrs Caplan: But at the end of the \$4-million exercise, there was no statement of value of the inventory.

Mr Girvin: That is correct.

Mrs Caplan: Okay. The next question I have relates to that, but I don't know whether you're the right person to ask the question to, and that is, does every ministry have an audit branch still—

Mr Girvin: Correct.

Mrs Caplan: —or is Management Board doing audit for every ministry now?

Mr Thomas: Most ministries have audit branches. I think some ministries share them.

Mrs Caplan: What's the size of an average audit branch across the government? How many people are in each audit branch?

Mr Thomas: I'd say 10 to 15 on average would be my guess.

Mrs Caplan: That's 10 to 15 on average in each ministry, so across 20 or so ministries there are—

Mr Girvin: Two hundred plus.

Mrs Caplan: —200-plus people. Was it the decision not to even consider using the members of the audit branch to go out and to do the evaluation? When I use the word "evaluation," I'm using your word, which was really to count the computers in their ministry and tell you what they've got.

Mr Girvin: I honestly can't answer that as I was not

there at that particular time, but I'm not aware of that discussion.

Mrs Caplan: The criticism, frankly, was not so much that you took a count of what was there but that you spent \$4 million to get information that could have been gotten by the audit branches in each of the ministries. You have 200 people out there; it could've been done. I'm not asking for your comment on it. You weren't there.

I just want to clarify for the committee that it was the view of the official opposition that to spend \$4 million when you had 200 people in the ministries who could've done it was neither fiscally responsible nor sensible, and that the information they gathered was incomplete, if at the end of a \$4-million audit you didn't even know what the stuff was worth, if you were considering the purpose of the original evaluation was for the consideration of a sale and leaseback opportunity.

Hon Mr Charlton: Just two comments in that respect—

Mrs Caplan: Since you've raised the issue, I just thought I'd explain it.

The Chair: One at a time, please.

Hon Mr Charlton: The first one is that David very clearly said that although we didn't end up with a valuation, the information that was put together in the study would set the value in the marketplace if we had proceeded with any of the options that were being looked at, which we didn't.

A second thing is that we constantly refer to this whole project, and I also wasn't there at the time the decisions were made back in 1992 so I can't comment on the particular conversations that occurred, but we always refer to this project—

Mrs Caplan: But the difference between him and you is that you're the minister and the government and somebody around your cabinet table made the decision.

Hon Mr Charlton: That's right; somebody did. My point simply is that you, your leader and others always refer to this project as a project of counting computers, with the intentional purpose of creating for the public the impression of somebody out there with a pad going, "One, two," and you know full well that's not what this whole project was about.

As has been said on a number of occasions, this was about identifying the computers that we had, about identifying what the models were, what they were capable of, what the softwares were, what switches the systems had, what the interconnectabilities and intercompatibilities were, and we know so much more about the system that the audit branches in the ministries couldn't have delivered to us.

Mrs Caplan: That's where we have a fundamental disagreement. I have more confidence in the auditors in the audit branches in the ministries and their ability to count and read what the capability is of a machine than you do. I don't think it was worth \$4 million; you do. We just disagree.

Hon Mr Charlton: What we would've ended up with is what we've always had, which is—

The Chair: Minister, please. One at a time and go through the Chair.

Hon Mr Charlton: —individual ministry silos.

Mrs Caplan: We just disagree, but that's the nature of decision-making. That's in the past and we're now talking about what you did in the past and you're accountable for that.

Hon Mr Charlton: Absolutely.

Mrs Caplan: The fact that we disagree, others will decide whether or not that was a good idea. We don't think it was a good use of \$4 million, not given the product you had at the end.

The question that I'd like to discuss now in the time I have at this point is—well, I have a few but since we're talking about information technology, I thought I would ask if you had a plan for the use of information technology as part of your restructuring or re-engineering, looking for new ways of providing service. I wondered whether or not, as part of the technology branch, that was something that was being done? Had you given any direction, Minister, to the branch to develop a strategic framework for the use of developing or available technologies? If so, do you have a plan, is there a list and could it be made available to us? If there isn't, why isn't there?

Hon Mr Charlton: Yes, there is a plan. As a matter of fact, we should have some announcements in the not-too-distant future about some pilots that flow out of some of that. But in any event, David—

Mr Girvin: Thank you, Minister. With regard to the basic structure of trying to integrate and coordinate, which is probably the greatest challenge that one has in service delivery—and IT is a strategic enabler in trying to integrate delivery in an efficient and productive fashion—on June 15, 1992, Management Board delegated to a group of deputies called the information technology directions committee, bringing together the line ministries with the centre to improve the integration and coordination.

1700

With their delegated responsibility, they had two basic overall thrusts. One was in trying to build some common infrastructure around GO Net and the interoperability in terms of what we call the connections, and the other was to increase the value added services as far as some of the corporate entities were concerned, as we mentioned yesterday, around electronic commerce, Internet, various voice services such as interactive voice response, and other tools the Ministry of Health, the Ministry of Transportation and the Attorney General are using to increase their productivity on a line basis.

Mrs Caplan: It wasn't just productivity that I'm curious about. A part of the minister's comments yesterday specifically referred to restructuring or re-engineering, and I'm interested in what projects you have or what direction you've been given specifically about the use of technology as a part of the restructuring or re-engineering plans. I'd like to know more about that specifically, if there is a plan.

Mr Girvin: In terms of accountability, Management Board has been the quarterback or the leader in terms of

dealing around the human resources, coordinating in the area of quality of service and re-engineering a common listing of initiatives that individual ministries are dealing with, providing some hands-on assistance. For example, staff from the IT division have been involved with the Solicitor General and the OPP in re-engineering some of the business delivery by providing hands-on assistance both in IT and also on project management. The approach has been one of coordination of the individual ministries' listings of initiatives, providing some hands-on assistance and then, from an infrastructure and tools point of view, incorporating where appropriate those types of equipment or technology that allow the project to be strategically enabled in a better fashion.

Mrs Caplan: To the minister, is it formally a policy of your government to replace manual service delivery with information technology and computer technology as part of your plan for re-engineering?

Hon Mr Charlton: There are some areas where that's in fact the case, yes. MTO, for example, is currently running several pilot projects around its kiosks in malls and outside of current licence locations and so on, where they will hopefully significantly reduce workloads as a result of people's access to services virtually 24 hours a day at those kiosks.

Mrs Caplan: Is there a plan that's been developed from the steering committee you mentioned that actually has identified those kinds of opportunities across the government?

Mr Thomas: Could I respond, as I'm chairing the committee? We haven't formally approved a plan. We're working on a plan that would set out a more integrated approach to service renewal kinds of things. One of the things I've observed in my relatively short time so far in Management Board Secretariat is the fact that there are a lot of impressive information technology things happening in ministries. The challenge to us is how to get the cross-ministry work happening better so that when a technology is established in one area, say the kiosks, how can we make sure that applies across the OPS wherever kiosks would be a good idea? There's a whole set of questions being asked around how we can improve customer service by using the technology that's available, like kiosks, which is a fundamental change in the way we do customer service.

The other question, but I think it's an important one, is that when we develop a case management system, when we try to replace manual work with computerized work, how do we make sure those kinds of things get developed across ministries too so that systems the ministries developed in one place can be shared with other organizations? That's one of the challenges that I think ITDC faces, and I think we're rapidly coming to grips with it.

Mrs Caplan: Have you considered the human resourcing implications of that? Is that part of the plan?

Mr Thomas: It's absolutely central. There are several aspects that are really important to us. One is the HR implications, and there are a number of those in terms of training and retraining and changing the way we do work and changing the kind of work we do; that's a very

important piece of it. The other is privacy concerns, the fact that when we are merging databases it's important to make sure we take into account the kinds of concerns that would be raised around privacy.

Hon Mr Charlton: In that respect, especially with the HR concerns that get raised, as we go through all these discussions and they grow in terms of their complexity, the job of those in the ministry who have to deal with the HR questions focuses and changes as well. As I said earlier, as we go through these processes we will have to stay on top of what particular decisions mean in HR terms, in FTE, full-time equivalent, terms.

To put it as simply as I can, our intention is to maintain the kind of bottom line we've had throughout the reorganization and downsizing exercise, which is at the end of the day to actually put as few people as possible on to the street; in other words, that we use all the other tools we've been using to redeploy and retrain people to ensure to the greatest extent we can that there is a very minimal impact.

Mrs Caplan: I think it's very important that government be an example of a good employer and learn the lessons from the private sector about not only retraining, redeployment, but also smoothing the transition to other work opportunities. If you don't do that, I think you lose the opportunity to show how you can re-engineer your activities in a positive way as opposed to having it be seen as, and actually be, a negative experience. That again adversely affects morale, and that fear is a barrier to achieving the goals.

However, it is important to be able to make a commitment that in that kind of process re-engineering and the use of technologies to provide greater public service, quality improvement and more cost-effectiveness to the taxpayers of the province must be a guiding principle so you will get the commitment of everyone to move ahead and do it. The one thing I've learned as I've been spending some time thinking about how you would implement some of these important principles is that customer service quality improvements and employee satisfaction must go hand in hand.

I think you have to be open about that, which is why I'm asking if you will table your plan, the list of ideas of places where it is possible, as well as the HR implications that go along with it. I think it's important to be as open about these discussions as possible.

1710

Hon Mr Charlton: Staff can be more specific. There's some of that we can table. I have to tell you, and I hinted at this when I started to respond when you first asked the question, there are a number of projects actually in the approvals process currently, and we're not going to be tabling those things; we'll be making ministers' announcements for them on things that haven't even been quite all the way through the approvals process yet. There are a number of pilot projects, for example, that will be announced in the not-too-distant future. But we're certainly prepared to table any information with regard to projects that are already under way.

Mr Thomas: Also, we're acutely aware of the

concerns you're raising around the human resource implications of technology. It seems to me that there are two levels of it. When you're talking about a process refinement in which you changed the way someone does their job through a computer assist of some sort, that kind of training is easier to do than if you're fundamentally changing the customer service process.

For example, when you move to a kiosk or electronic cards and things like that, where you've actually taken away a certain kind of work as we know it and replaced it with a different kind of work, those dislocations are more difficult to deal with, but they're equally important for us to deal with.

Mrs Caplan: That's why I think it's important to be clear about the sorts of things that are being considered and also the human resource plan that goes along with offering the kind of skills training and upgrading, so that people will be ready for those new jobs that will be available and will be able to consider the human resource implications.

Hon Mr Charlton: Susan had something she might want to add, but there's just one additional comment I have. For example, there was a reference earlier to the treasury board-Management Board split. One of the things we've started doing in treasury board approvals nowadays, for example, is to ensure in the minute that all the workforce implications of the technological change or whatever other approval it is that's going through are there.

Most often now we put in place a requirement that before the funds actually flow to a ministry around a new initiative or a new technology installation or whatever the case happens to be, it has to satisfy Management Board that it's appropriately using surplus lists with displaced employees and so on and so forth. We try as best we can to put a circle around that and start to tie all the strings together as the process unfolds, rather than to try and pick up the pieces afterwards.

Ms Waterfield: We do have a labour adjustment and training strategy that is being implemented and has been in the process of being implemented over the last couple of years. As part of the re-engineering projects, education and training is a key component of those plans done by ministries.

In addition to that, that is fed into a career outlook guide we work on with the ministries so that when they're counselling their employees on what careers they should be moving into—it's primarily at the moment surplus employees, because our main consideration is to ensure they're placed—they use that guide. As part of the surplus training, for example, there is up to six months' training for every employee, and what we try to do is to approve those training plans that allow people to be trained in the newer areas rather than in dying occupations or sunset occupations. So there is the makings of that.

Under the social contract, it did say a labour adjustment training strategy should be in place for, on a priority basis, surplus employees, then job-threatened employees and then regular employees, and we're in the midst of implementing that.

Mrs Caplan: From the information you gave us, based on the attrition rate of retirees and resignations, I'm interested in the fact that the minister said you did not achieve the reductions you had anticipated and therefore there must have been a great deal of hirings. I'm wondering if you could tell us, since you gave us the number of those who left, how many hires there have been, both on contract as well as civil servants, over the same period of time.

Ms Waterfield: Can I just clarify the question? Is that external hirings, people coming in from outside, or recruitment activity?

Mrs Caplan: From outside.

Ms Waterfield: I don't have it with me, but I can get that information for you.

Hon Mr Charlton: You're talking about in addition to all of the redeployment we've done, how many people have actually been hired new?

Mrs Caplan: Yes.

Hon Mr Charlton: How far back would you like us to go? Just the last couple of years or right back to 1990?

Mrs Caplan: If you could go back to 1990, that would be very helpful. You mentioned that 4,500 retired last year; I'd like to know, for each year, how many new hires there were, not only civil service appointments but the number on contract full-time, or part-time/full-time equivalents.

Hon Mr Charlton: We can give you gross and net numbers.

Ms Waterfield: We can provide you that.

Mrs Caplan: That would be great.

We have about eight or nine minutes left, and I'd like to spend a few minutes on discussion around the negotiations that I understand have been entered into on the social contract. My question of the minister is, have negotiations begun on an exit from the social contract?

Hon Mr Charlton: Not what I would have called negotiations, no.

Mrs Caplan: What would you call it?

Hon Mr Charlton: Jim can probably clarify this a little better than I can.

Mr Thomas: There have been some consultations that have taken place over the past month or month and a half with employers and unions in the broader public sector to discuss whether there are things that could be done over the next period of time to prepare people for a soft landing, I guess, when the social contract is over.

Mrs Caplan: What you're saying is that those negotiations—

Interjection: Aren't negotiations.

Mrs Caplan: I thought the announcement was that there was an early exit being negotiated as opposed to what happens on the day after.

Mr Thomas: I think the words are important. As a negotiator, I would say these are not negotiations, these are discussions with unions and discussions with employers, consultations around what sorts of changes, if any, to things like access to job security funds and things

like that would be helpful for employers and unions in the broader public sector.

Mrs Caplan: You are not discussing or consulting about anything that would have an impact before the end of the social contract. Is that correct?

Mr Thomas: I'm not saying that.

Mrs Caplan: So you are having discussions or consultations about changes to the present social contract?

Mr Thomas: No. We're making it very clear that there would be no changes to the Social Contract Act. But within the way in which all the rules are set up around access to labour adjustment and things like that, there are discussions about whether there are ways those rules could be made more effective for people, for employers and unions.

Mrs Caplan: Could you explain that a little better? I'm not quite sure what you mean. I'm trying to understand it.

Mr Thomas: For instance, could there be more expanded access to the job security fund, which right now is limited to people who are made surplus as a result of a need to downsize because of social contract obligations? There's a question about whether that should be made broader than just those situations to apply to other kinds of displacements that would occur. That's one example of the kind of thing that would be looked at.

Some employers and some unions have raised with us concerns around irritants, around definitions of permanent savings. There have been concerns raised around how the arbitration processes work or don't work, depending on where one is coming from. Those are the kinds of things people have been raising with us as we have been out talking to employers and unions.

Mrs Caplan: During these non-negotiations, are there new dollars on the table?

Mr Thomas: No.

Hon Mr Charlton: Not ours, anyway.

Mrs Caplan: I must admit that I did not understand what the goal of these discussions and consultations are. What are the goals?

Mr Thomas: The goal is to see whether there are ways to improve the rules around labour adjustment so that we could end up with less dislocation than might otherwise be the case over the next year and a half.

1720

Mrs Caplan: And that's less dislocation at the end of the social contract or before the social contract ends?

Mr Thomas: From now until the end of the social contract.

Mrs Caplan: Have you done any estimates of what that dislocation will be?

Mr Thomas: No.

Mrs Caplan: Have you done any estimates or calculations on what's been referred to as the balloon, the expectation at the end of the social contract for things such as essential services or those items which have been pushed on beyond the social contract? Have you got any estimates as to cost?

Mr Thomas: I don't know if there are any. Certainly MBS hasn't done any.

Mrs Caplan: Explain to me again your role in good fiscal management. You have something in place that's going to have huge implications, and you've done no estimates?

Hon Mr Charlton: We have resolved all the institutional issues that affect the OPS, which is what Management Board is responsible for. What Jim is saying to you is that—

Mrs Caplan: With respect, Minister, I've just heard your deputy say there are anticipated dislocations, which you're having non-negotiations but discussions to—

Hon Mr Charlton: In the broader public sector.

Mrs Caplan: In the broader public sector, but nothing that will affect the OPS?

Hon Mr Charlton: Not that we're talking about here, no.

Mrs Caplan: So it's only in the broader public sector?

Hon Mr Charlton: Yes.

Mrs Caplan: And no one in the provincial government has done any estimates of what the costs at the end of the social contract might be for the broader public sector which has been impacted by the social contract?

Hon Mr Charlton: Nobody in Management Board has done those estimates. They may have been done. We don't have them. This is Management Board you have here before you. We don't have them.

Mrs Caplan: Are you aware of any of these estimates that have been done at the treasury?

Mr Thomas: I'm not aware of them.

Mrs Caplan: Interesting. I didn't expect that answer, I must admit. Are you aware of any work that has been done by the manager of the government, Management Board, that has considered the context and the implications of the social contract on the public sector in the OPS after the social contract?

Hon Mr Charlton: We're well under way in terms of our discussions with our bargaining agents, because we're the employer, in terms of how we get our share of the social contract permanently out of our base, \$210 million we have to find. We've proceeded into that set of discussions with our bargaining agents and that process will continue. I can't tell you where it ends at this point because it's in process. Jim may want to comment more on that.

Mrs Caplan: Have you done a study of the implications for the OPS in terms of cost at the end of the social contract? You said you've got to find \$210 million. Are there any other costs beyond that?

Mr Thomas: Not that we see at this point. We have been trying to work very hard with ministries and with the bargaining agents. It's not just OPSEU but AMAPCEO and the professional associations that are at the joint central committee table looking for ways to generate over the next year and a half \$200 million, roughly, of permanent base savings, which is our commitment under the Social Contract Act, and to do it in ways

that have the least disruption with respect to services and to jobs.

Mrs Caplan: But you've done no analysis within Management Board of what the impact will be if you do not achieve agreement?

Mr Thomas: We are well aware of the fact that we need to come up with, across the Ontario public service, \$210 million. That's the exercise, so the exercise will generate, somehow or other, \$210 million.

Hon Mr Charlton: And those will be in workforce savings; that's the instruction of the social contract. Our job is to do that in as humane and reasonable a fashion as we can, at the same time as we have to, as Jim has said, and we're determined to, protect service delivery and create as little disruption as possible. But the social contract was fairly clear that the social contract piece of all of this was a salary and wages piece. The ECP was a combination of other kinds of reductions. Some were program related in the sense of the size of program dollars; some of them were also job related.

Mrs Caplan: I just want one last question of the minister. I just want to be clear in my own mind that there are no discussions, consultations or negotiations going on at this point in time with anyone affected by the social contract that would lead to an early exit from the social contract.

Hon Mr Charlton: No, there are none.

Mr David Turnbull (York Mills): Is there an estimate as to how much money will be due and owing to civil servants as a result of time taken off during the social contract; in other words, a lump sum that will become due and payable after the end of the social contract?

Mr Thomas: I don't think there is any.

Mrs Caplan: I asked the same question about money.

Hon Mr Charlton: Just a very quick explanation: There will be some but very little in the OPS. There will be some additional dollars out in the broader public sector, but my ministry doesn't have those numbers. Jim isn't aware, as he said in answer to Elinor, of whether Finance does or not, but we certainly don't have those estimates in my ministry because it's not our area of responsibility.

Mr Turnbull: Would it in fact be the Ministry of Finance?

Hon Mr Charlton: I would assume, if anybody has them, they would.

Mr Thomas: Yes. Just so you're clear, the responsibility of Management Board Secretariat is restricted to the aspects of the social contract that are within the Ontario public service. The Ministry of Finance has the lead on the broader public sector social contract aspects.

Mr Turnbull: Okay. Do you have any figures that you can put before us of increases in income as a result of the social contract?

Mr Thomas: I don't think there was anything in the social contract or the act that would have produced an obligation to increase wages.

Mr Turnbull: Of course, the famous example that

I'm thinking of is the Premier's chauffeur supposedly taking time off in lieu and then working overtime and, as a result, earning more money than had he not had the social contract imposed upon him. I would just like some knowledge as to what other employees have been affected in this way.

Hon Mr Charlton: Phyllis will provide some comments. Just very quickly, though, before we go to Phyllis, I'm not aware of the case you've raised at all. There may be some anecdotal cases. If you receive them and are prepared to forward them to us to follow up on, we're prepared to check them out.

Mr Turnbull: This in fact was in the newspaper.

Hon Mr Charlton: Having said that, there is no category where that should have occurred. For example, in the OPS in general, part of the negotiation that we had with the bargaining agents to determine how to achieve the social contract savings without imposing 12 days, as we originally thought we would have to do, because we didn't as you know, was the use of overtime dollars and a whole range of other things that people are no longer earning. There may be a handful of anecdotal cases you can come up with that we're prepared to check out for you, but for all intents and purposes that is not what's happening in general under the social contract.

Mr Turnbull: Perhaps, Minister, we could ask your expert just to confirm or deny that the Premier's chauffeur earned more money as a result of the social contract because they were taking dollars from overtime.

Hon Mr Charlton: I don't think Phyllis would know that, but go ahead.

Ms Phyllis Clark: I can't confirm or deny that. I just don't know those individual issues.

I did want to talk about two items that you could have been referring to in terms of people getting an increase in compensation or some sort of award out of the social contract, and then my colleague will address the issue of critical functions, which is slightly related to what I think you're alluding to.

1730

The first one is with regard to grievance settlements. We have classification grievances in the Ontario public service and we were able to negotiate through the social contract a lump sum settlement of \$20 million which will be divided among people who are in the midst of having what we call classification grievances for how their jobs are classified. That was a considerable saving of what that would have cost, but people will get awards—not salary increases necessarily, but payments connected with that.

There was also negotiated—

Mr Turnbull: These would be promotional increases then that you would portray them as, or what, if they're reclassified?

Ms Clark: They are onetime payments. We negotiated an arrangement where there would have been an increase in salary if they had gone through the normal grievance process but we were able to get the payment of a onetime increase.

Hon Mr Charlton: In the moratorium.

Ms Clark: In the moratorium, yes. But people will get awards or will get dollars flowing to them because of that.

Hon Mr Charlton: Just not as many dollars as they would have if the whole grievance process had proceeded.

Ms Clark: Precisely.

Hon Mr Charlton: It was a negotiated settlement.

Ms Clark: Precisely. The other one was with regard to the overhaul of the classification system itself, which had been promised in a former collective agreement. We arrived at a dollar figure on doing the classification overhaul, and there is a \$20-million award also attached to that which will be paid out when we do the new classification system. Those payments haven't been made, but there was an allocation to make those payments when that system was overhauled.

Then there's the issue of critical functions within the Ontario public service.

Mr Richard Lundeen: My name's Richard Lundeen. This topic of critical functions or special leave has come up often under the social contract, and this is the notion that there was some anticipation that there would be carryover costs to cover people who had taken leave during the social contract period, who were due it but would have to have it paid out at some later point. In fact, within the public service we've been able to organize the implementation of the social contract so that does not occur. We were able to schedule the time off over the course of the three years of the social contract and we have not had to use that provision at all, which would result in a payout beyond the social contract period.

Mr Turnbull: Will these moneys that you allude to be paid out during this fiscal year to those employees who are getting that onetime adjustment?

Ms Clark: For the \$20 million—

Hon Mr Charlton: The grievance moratorium of \$20 million?

Mr Turnbull: Yes.

Ms Clark: Likely, yes. We're close to a settlement on how to allocate those dollars and they will likely be paid out this year.

Hon Mr Charlton: So before the end of this fiscal year?

Ms Clark: Yes. With regard to the bargaining unit overhaul, no, it's more likely that would be paid out next fiscal year.

Hon Mr Charlton: Probably towards the end of the next fiscal year.

Ms Clark: Yes.

Mr Turnbull: Of course, Minister, you appreciate that this is a concern for future governments that may have to—

Mr Wiseman: Don't you worry about it a bit.

Hon Mr Charlton: No, we are not talking here about unknown costs that have occurred as a result. As Richard

has just pointed out to you, in the OPS we've taken care of, in our discussions with the bargaining agents, all of the institutional costs that the opposition was concerned about, where essential services workers had to take time off and take vacations and so on. It is happening in some locations in the broader public sector. None of those circumstances are occurring in the OPS. None of those dollars will have to be paid after the social contract. That's what Richard has just told you.

The dollars which are being referred to here are dollars that are reductions from much larger costs that we were left with as a result of negotiated settlements. They're not new costs. They're much smaller costs to much larger older costs.

For example, on the grievances there were literally thousands of classification grievances in the system, and even before the social contract we had been attempting to negotiate a moratorium on those grievances while we went through the bargaining unit overhaul. Elinor, you'd be familiar at least with the term and the discussions that have been going on for some years about the need to overhaul how we rank jobs and what we call them.

We finally, as a result of the social contract, negotiated a moratorium on those grievances with the unions and put a pricetag of \$20 million on the settlement of those outstanding grievances. If all of those grievances had gone to settlement, we probably would have been looking at something closer to \$100 million, and if the grievances that they would have spawned out there in the system had ever proceeded to fruition, we were looking at hundreds of millions of dollars.

Mr Turnbull: Minister, could I now turn to the question of real estate dispositions from the government?

Mrs Caplan: Could I have a supplementary just before you do, a little one?

The Chair: Very briefly, please.

Mrs Caplan: It has to do with the grievance process. You mentioned a moratorium. What is—

Hon Mr Charlton: The moratorium is just on classification grievances, yes.

Mrs Caplan: But the Grievance Settlement Board, what's the time line and backlog for dealing with grievances in the OPS today?

Ms Clark: With regard to classification grievances, we are settling those very quickly because of the base that we have put in place with the social contract, and I expect that we'll be finished most of the outstanding classification grievances in the next two or three months.

For other grievances that continue in the system, there is a longer time lag on that. I can't give you an exact estimate. I can say that we're working on a process on how to expedite grievances through the system and how to do grievances in the first and second stage that lead to a greater chance of settlement. We've been working with the union and we expect if other agents are certified that we will also work with them on ensuring that we have faster settlement at the GSB. So far, we've got two or three agreements that the GSB is aware of that are going to reduce the time we spend in grievances.

Mrs Caplan: How long would you estimate, if

somebody comes in with a grievance now, they would have to wait before a hearing?

The Chair: Ms Caplan, I appreciate that, but you did ask for a supplementary. If you wanted to open a line of questioning, in fairness—

Hon Mr Charlton: You can come back to the staff.

The Chair: Thank you. I'm sorry. Did you answer that question? You're here now and you've heard it, so let's get the question answered quickly.

Ms Clark: I don't have a specific percentage estimate, but I will get that back to you.

The Chair: Thank you very much. Mr Turnbull, please proceed.

Hon Mr Charlton: Just before you ask your next question, the question you asked on the Premier's driver, I'll get you an answer for that for the next session.

Mr Turnbull: Okay. And, Minister, I would ask what measures you have taken to ensure that doesn't continue.

Hon Mr Charlton: I have to find out first what happened.

Mr Turnbull: Yes, if indeed it's correct. If the newspaper report is correct, I'd like to know what measures.

Hon Mr Charlton: I'll respond to that when I respond to whether or not the report was correct.

Mr Turnbull: Quite so.

With respect to real estate dispositions, could you give me the amount of real estate that you have actually sold? Real sales, not shell games between one hand of the government and the other hand of the government.

Mr Casey: If you're referring to actual sales to the private sector as opposed to sales to the realty corporation, this past year we sold approximately \$23 million worth.

Mr Turnbull: What sort of real estate was that comprising?

Mr Casey: Almost all of that would have been land in various stages of development, like for residential, farm land.

Mr Turnbull: Were there any large parcels in that?

Mr Casey: Nothing of a very large size by any means. If it would be, the amount would have been quite a bit higher.

Mr Turnbull: Okay. Of the real estate that was transferred to the real estate capital corporation, have they managed to dispose—

Mr Casey: That would have been the real estate largely coming out of the Ontario Realty Corp, the \$23 million. The corporation purchased about \$440 million worth of raw land assets and sold about \$23 million of that.

Mr Turnbull: Okay. In order to be able to purchase that, could you describe the circumstances as to how they had the funds to purchase that?

Mr Casey: The corporation itself, taking the \$440 million worth of land, took a 25% equity position from the government in land value. Consequently, it in effect had to finance about \$350 million of that, which it did

through the Ontario Financing Authority.

Mr Turnbull: So the money came from the government to pay the government.

Mr Casey: The money was borrowed from the Ontario Financing Authority, which essentially borrows it on the bond markets.

1740

Mr Turnbull: But it's still Ontario government borrowing in order to buy this.

Mr Casey: That's correct. If the corporation borrowed it in its own right, it would still be seen as the government.

Mr Turnbull: Yes. And the \$23 million worth of real estate that was sold last year was sold from the real estate capital corporation or directly by the government itself?

Mr Casey: That was sold by the corporation.

Mr Turnbull: By the corporation. So they bought how many dollars?

Mr Casey: About \$440 million.

Mr Turnbull: And they sold \$23 million. Can you describe how this money was accounted for in the government's books?

Mr Casey: I can describe that in the corporation's books it was taken in as an asset; in other words, it was purchased it from the government. Consequently, it was recorded essentially at its purchase price at that time. The land is revalued periodically at the lower of book or market value. So if the prices depreciate over time, then we lower the value in the books. Then we record the equity component of it, the \$90 million of equity, as equity and we also record \$350 million as a debt that's owed to the government. Specifically, the reference in the financial statements to the corporation would have been a financing arrangement with the province of Ontario and that would have been properties under development and sale.

Mr Turnbull: I'm sorry; I don't know your name. You're Mr—

Mr Casey: Casey.

Mr Turnbull: Do you have expertise in the realty field, Mr Casey?

Mr Casey: Yes, I do.

Mr Turnbull: In the private sector?

Mr Casey: Yes, I do.

Mr Turnbull: Would you consider the sale of assets by, let us call it, a parent company to a subsidiary company under these circumstances to be normal or would it be more likely that in fact a parent company transferring lands to a subsidiary would take a note back from that subsidiary?

Mr Casey: It is common in the private sector for parent corporations that maintain operating subsidiaries to, in effect, sell their assets to those subsidiaries. It then becomes an issue of recording how the transaction has occurred on each of the corporation's sets of books. The subsidiary corporation will normally record it because it has purchased the asset; otherwise it would have no way of showing the asset on its books. Normally, if they paid

for it through financing, then that shows as a debt. If the subsidiary corporation had sufficient equity in some form of cash, property, whatever else, that was transferred back to the current company in payment for it, then it would not show up as a debt, but simply the asset is offset by the equity component within the corporation.

Mr Turnbull: But wouldn't you find it fairly unusual for a parent corporation to, in effect, lend the subsidiary money to buy the asset, record it as a sale and then get the money back and have the subsidiary left with that asset and a liability to the parent corporation rather than the transaction of taking paper back for that asset?

Mr Casey: Actually, in this particular situation the conflict is not one that would be normally seen in two private sector corporations, one being a parent company and the other being a subsidiary. This is a situation where you have a corporation that is set up with a private sector type of financial statements and accounting treatment and a government which has a government accounting system. That's really where you get into the issue. To answer your question specifically, I wouldn't see that this would be an unusual situation. A subsidiary can borrow from any source if it has the authority, obviously, of its parent company. It could borrow through its parent.

Hon Mr Charlton: Especially if the borrowing was cheap.

Mr Casey: Yes. Obviously at some point in time, when the parent company has to report, it has to roll all its subsidiaries into it, so there are no secrets at the end of the day. Everything gets washed out at that point in time.

The aspect is more critical for the subsidiary as to how it reflects, on its books, what is happening, particularly if it's operating in the private sector market and someone is not looking behind it to its parent company, but is actually looking at the subsidiary itself.

Mr Turnbull: The valuation of the properties that were transferred to the real estate capital corporation: That was done at the value of an appraisal, I take it?

Mr Casey: Almost all were done through external appraisals. I have appraisal staff as well. They were reviewed by those staff. We have a board of directors which includes a majority of members from the outside who also reviewed the appraisals that were done.

In addition to the actual appraisals, we also took account of the condition of the building and discounted the values based on any major repairs that would have to be done. We also took a vacancy allowance at that point in time of 10%, although the vacancy at the present time in government buildings is less than 1%. So we took a very conservative view of what the values would be.

The Provincial Auditor has reviewed our mechanisms and the valuations. We also had an outside consultant who was an expert in real estate come in to review how we had done it, the mechanisms, to tell us whether they felt they would have met the test of the private sector, particularly because what we and the government have intended is that we'd also be seeking external financing, not through the government's borrowing but through the asset-base financing market. That market is very tough on

when and how it gives money. Consequently, we didn't want to have to go through this exercise twice, so we did it in a way that would stand their tests as well.

Mr Turnbull: What income does the real estate capital corporation have to service its debt?

Mr Casey: At the present time, it has some properties which it is essentially renting to the province. As well, it is drawing money from the land sales themselves, and as it buys more properties which are presently occupied by government staff, it will obviously continue to draw rent from those in an increasing amount.

Mr Turnbull: But my question was, how much income does it currently have from its operations?

Mr Casey: At the present time, for the last fiscal year, it drew the \$23 million, which was largely the land sales, because we only sold the existing buildings at the very end of last fiscal year. So this year, I would have to get you an actual figure as to what the estimate is for the \$330 million worth of existing buildings.

Mr Turnbull: Okay. But you said you sold \$23 million. Now you're telling me you have \$23 million in income.

Mr Casey: Correct.

Mr Turnbull: So that would infer that you got no rental income from the government for the balance of the portfolio.

Mr Casey: For this last fiscal year, that is correct, because in effect we bought the existing office buildings, buildings with people actually in them, at the very end of the fiscal year. Consequently, that starts at this fiscal year.

Mr Turnbull: But when you say "at the very end," are you talking about the last day of the fiscal year, or what?

Mr Casey: The last month of the fiscal year. By agreement, there was no rent due during that period of time and the Management Board Secretariat was responsible for picking up those expenses.

Mr Turnbull: Do you anticipate the rent that you will generate this year will be sufficient to service the debt?

Mr Casey: It will be sufficient to service the debt, yes. It will not be sufficient in this particular year to pay all the expenses in addition to debt. However, the corporation at the present time, since it started out not being capitalized, has received a capitalization grant which essentially goes into equity, and that would be sufficient to cover it this year. For next year and thereafter, it should be turning a profit.

1750

Mr Turnbull: You're talking about the gross rent that you get will be sufficient to pay all of the maintenance and all of the depreciation—well, not the depreciation, but all of your operating costs and in addition fully service the debt that this corporation has taken on.

Mr Casey: The gross rent in the future, and the sales of assets, sales of the raw land and such, will be sufficient to service the debt and pay its expenses.

Mr Turnbull: I gather from what you're saying, then, that without the sales you will not be able to service the

debt, it will not be self-supporting.

Mr Casey: Obviously, if we have \$440 million worth of raw land with essentially minimal income, other than the development potential of that land, and we're paying debt on that, you would have to be selling land in order to make that back. That would be a normal development operation for any kind of real estate business.

Mr Turnbull: Presumably a large part of that raw land is the Seaton site, right?

Mr Casey: No, Seaton is not included in that.

Mr Turnbull: No? You haven't purchased that?

Mr Casey: No. We have purchased Cornell but not Seaton.

Mr Turnbull: You said there was only 1% vacancy in your portfolio at the moment.

Mr Casey: Less than 1%.

Mr Turnbull: Is that across the province or in the properties you've purchased—are you lumping together the government-owned, directly owned property and the corporation-owned property?

Mr Casey: Correct.

Mr Turnbull: What will we have by way of vacancy when the move to St Catharines occurs, of the MOT?

Mr Casey: They would be vacating approximately one building on the Downsview site. However, we are in the process right now of looking at the development or sale of part of that site. The exercise is really that, at the end of the day, you're not left with vacant space that costs money. You either are looking for an occupant for it, you're looking at redevelopment of the site, sale of that particular building, any number of things. You do that before they actually vacate the site and that's what we're doing for all of those properties.

Mr Turnbull: What are the plans for the disposition of the real estate portfolio and what sort of timetable do you anticipate?

Mr Casey: I'd need a little more clarity.

Mr Turnbull: Tell me what sort of timetable and what sort of income you anticipate receiving from the disposition of the real estate assets that you've taken over so far in the corporation.

Mr Casey: For the raw land, the majority of those assets, the \$440 million worth of developable land assets will probably be sold out within the next five years. A number of those properties, however, included some of the land banks that the province assembled over many years and we can't sell those out in bulk quickly because we would, in effect, depress the real estate values in those locations for years to come. In effect, we have accounted for that in the valuation of those properties and those would be sold out over a significant number of years, but the majority of the \$440 million will go out over the next five years.

With regard to the remaining office buildings, both those that we have presently and those that the corporation will buy, as well as those that will be maintained by the Management Board Secretariat, in effect, we will be going through a rationalization exercise based on a market valuation of all the properties. This is probably

the most significant difference for how we will do things under the corporation as to how they've done them in government. Since government does not normally account for its assets—it builds a property and then immediately writes down the value to zero. That's a traditional way the government has handled its assets, throughout Canada at least. That means that normally you don't keep the records as you would in the private sector where the asset has a value to it and you're trying to look at what its revenue potential or investment potential is against its asset value.

In the corporation, we will be doing that and where we find that the markets rents, both current and forecast, do not justify keeping the asset then we will look at selling that asset or doing something else, redeveloping the asset. It will also be used to determine what types of upgrades will be made to the assets themselves. It'll be using private-sector benchmarks; it'll be using investment analysis to make a determination as to which assets we should keep, which we improve, which we get rid of, in effect.

Mr Turnbull: Are you planning on selling, either directly by the government or through the capital corporation, the government buildings surrounding Queen's Park here?

Mr Casey: The buildings surrounding Queen's Park, with the exception of the Whitney Block, have been sold to the Ontario Realty Corp. The Legislative Building does not belong to the government itself.

Mr Turnbull: No, I'm aware of that. Are the plans to in fact then dispose of the government buildings to the private sector?

Mr Casey: There is no intent right now to dispose of these buildings. They in effect have been sold to the corporation, and the corporation is running those buildings on behalf of the government for this purpose.

Mr Turnbull: What is the benefit to the government of selling to the corporation buildings which it doesn't intend to dispose of?

Mr Casey: Well, you have a situation where you maintain the buildings and make determinations as to what kind of upkeep you want to put into them versus the types of rent that you could draw from those buildings in alternative uses. Particularly when we look at the nature of the facilities we presently have at Queen's Park, the site is not fully utilized and has the potential for development. If you take a look at the north Frost Building, it is in not particularly great shape. If you look at this block across the street where the Macdonald Block is and such, that block is not fully built out. So all of those kinds of aspects come into consideration once you have attached asset values to the facilities and are maintaining those based on a market that is out there and alternative uses for accommodations.

Hon Mr Charlton: Just very bluntly but sweetly, past administrations in this province did not manage the province's real estate assets in a businesslike fashion; we are now doing that.

Mr Turnbull: The build-out of the property across the road: Would you anticipate knocking it down or

would you talk about adding further storeys to it or would you be talking about a disposition of the building rights, severing it from the property?

Mr Casey: Could you identify which one you were referring to? You said "across the road."

Mr Turnbull: The building you mentioned immediately across the road, that it wasn't fully built out.

Mr Casey: The Macdonald Block? I'm referring to the entire block, if you take the block essentially between Wellesley, Grosvenor, the crescent here and Bay Street. That block has unused density in it. Obviously, at this point in time I wouldn't be foreseeing building something when there is quite a bit of spare space in Toronto. But you don't sort of look today as to putting a building up; you're looking down the road as to what might be the situation at that point in time and determining whether or not it is viable to construct at this location. We would do that as a normal practice.

We have a very sizeable lease portfolio. In many of those buildings, we've been in longer than 20 years. That would not necessarily be something that a company in the private sector would maintain, a portfolio of lease facilities of that size, particularly if you're going to be around a long time, and obviously, this government, we intend to be. So it's the kind of situation that if you're going to stay in your buildings for a long time, you should own them.

Mr Turnbull: So you would anticipate that you would move people eventually out of rented accommodation and into owned space by developing further accommodations?

Mr Casey: Where it's viable, yes. Where the market doesn't justify it, then we would be doing probably just the opposite.

Mr Turnbull: The site that was scheduled to have the ballet-opera centre on it, what is the position on that at the moment?

Mr Casey: That was put out for a request for proposal. It first went out for a request for interest and then a request for proposal. We have received back some submissions, around five submissions, on that site, and they are being evaluated at this point in time. The sale of the site and the determination of which proposal would be accepted really depends on the analysis to determine whether or not they meet not only the return that we would have for the investment, but also some other provincial interests, particularly around housing.

Mr Turnbull: Could I now turn to the question of computers, the computer inventory in the province?

Hon Mr Charlton: Certainly.

Mr Turnbull: I believe a study was done of the computer assets of the government. Could you give me a little update on what you have done with that?

Mr Girvin: Yes. We had a previous question in the estimates. Would you like a run-down of the process or an update? What specifically—

Mr Turnbull: Give me an update as to what you have done with that.

Mr Girvin: The request for an inventory was made in

the fall of 1992 and tenders were run. There was delivery of 130,000 IT assets in the fall of 1993, some 2,800 different locations, and a variety of other information relative to that particular inventory.

That has been a basis in terms of the ongoing challenge of the integration and interoperability of the various systems that one has within the OPS and the schedule agencies, working on improvement of the strategic management of those assets. At the same time, some of the initiatives have been taken around mandatory services, mandatory standards, based on that inventory.

For example, there has been a vendor of record for PCs that the supply and services division has tendered as far as low cost and efficient ordering of PCs, also allowing for the reduction in some of the silos and some of the other challenges that we've had both on network and on computers among the different ministries and different agencies.

Mr Turnbull: Could you tell me what percentage of capacity, the mainframes that the government has, is being utilized?

Mr Girvin: In terms of their capacity?

Mr Turnbull: Yes.

Mr Girvin: They're pretty well at capacity in terms of their scale and scope with the major ministries that have that heavy database. We have a consolidated facility at Downsview in the Ministry of Transportation building and work facilities management for Correctional Services in the north and the Ministry of Health in Kingston.

We upgrade from time to time through tenders for mainframe and the operating systems on processing.

There's an increasing load in terms of the demands of those particular ministries. The largest processing plants that we have are the Attorney General, the Ministry of Transportation, the Ministry of Health, and Correctional Services.

Mr Turnbull: You're saying they're pretty well at capacity?

Mr Girvin: What we do is we work out a service agreement with our clients in terms of their needs on an annual basis, enter into contractual arrangements in terms of the number of MIPS, the unit of measurement, as far as their requirements during the year. We are in a full recovery mode as far as the chargeback with the individual ministries, which is reflected in the service agreement, and then it's our responsibility in terms of the people and the hardware of maintaining a 24-hour-a-day, seven-day-a-week facility in different locations for our clients to measure what the load factor is going to be.

This doesn't mean, when I say it's at capacity, that it's at capacity 24 hours a day, the full month. We have significant workload issues at the end of the month relative to welfare cheques and other distribution of heavy data requirements as far as the processing requirements etc.

The Chair: I notice that we're being called to the House for a vote. It is 6 of the clock. We have approximately three hours and 50 minutes remaining in the estimates of Management Board. This committee stands adjourned, to reconvene on Tuesday, November 15, in committee room 2.

The committed adjourned at 1804.

CONTENTS

Wednesday 2 November 1994

Management Board Secretariat E-729

Hon Brian A. Charlton, chair, Management Board of Cabinet
Susan Waterfield, assistant deputy minister, operations and ministry support division
Tim Casey, assistant deputy minister, realty group
Jim Thomas, deputy minister
Dave McGeown, assistant deputy minister, supply and services
David Girvin, assistant deputy minister, technology division
Phyllis Clark, assistant deputy minister, strategic policy division
Richard Lundeen, assistant deputy minister, corporate priorities division

STANDING COMMITTEE ON ESTIMATES

***Chair / Président:** Jackson, Cameron (Burlington South/-Sud PC)

Vice-Chair / Vice-Président: Arnott, Ted (Wellington PC)

***Abel, Donald** (Wentworth North/-Nord ND)

Bradley, James J. (St Catharines L)

Carr, Gary (Oakville South/-Sud PC)

***Duignan, Noel** (Halton North/-Nord ND)

***Fletcher, Derek** (Guelph ND)

Hayes, Pat (Essex-Kent ND)

Lessard, Wayne (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

Ramsay, David (Timiskaming L)

***Wiseman, Jim** (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Caplan, Elinor (Oriole L) for Mr Bradley

Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Carr

Sutherland, Kimble (Oxford ND) for Mr Hayes

Wessinger, Paul (Simcoe Centre ND) for Mr Lessard

Also taking part / Autres participants et participantes:

Turnbull, David (York Mills PC)

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



E-38

E-38

ISSN 1181-6465

Legislative Assembly of Ontario

Third Session, 35th Parliament

Assemblée législative de l'Ontario

Troisième session, 35^e législature

Official Report of Debates (Hansard)

Tuesday 15 November 1994

Journal des débats (Hansard)

Mardi 15 novembre 1994

Standing committee on
estimates

Comité permanent des
budgets des dépenses

Management Board Secretariat

Secrétariat du Conseil de gestion

Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944–1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 15 November 1994

Mardi 15 novembre 1994

The committee met at 1538 in committee room 2.
MANAGEMENT BOARD SECRETARIAT

The Acting Chair (Mr Gary Carr): I believe we have 3 hours and 48 minutes remaining. For the members who aren't familiar, there should be two packages on your desk: one from the ministry with the reply to some of the questions about some of the proceedings which happened, as well as a memorandum from the research officer that you can look at.

In the rotation we will be starting with the NDP.

Mr Wayne Lessard (Windsor-Walkerville): I have a question with respect to the area-of-search provisions that you sometimes see in the ads for Ontario public service positions.

This was brought to my attention by a constituent of mine, Andrew Brooks, who wanted to apply for a position that I understand was in the Toronto area, but as he was from the Windsor area he was advised that his application wasn't going to be considered because he didn't live within the geographic boundaries of the search, which was 40 kilometres away from the area where this position was offered.

I can understand that for persons who may already be employed in the public service, there could be some relocation costs that could come from people moving from one area of the province to the other. But for persons who aren't part of the public service, have we ever considered providing an option for them to pay for their own relocation expenses? He said he would be more than happy to do that, and therefore there wouldn't be any extra cost incurred as a result of his application being considered.

Hon Brian A. Charlton (Chair of the Management Board of Cabinet and Government House Leader): I'm going to have to refer part of your question because, to be honest, I'm uncertain of the whole answer. Part of the issue around the area-of-search limits placed on competitions is limits that are placed as a result, as I understand it, of collective agreements. How that impacts on some of the new positions I'm not certain, so rather than provide you with incorrect information in terms of detail, I'm probably better to ask Jim and staff to give you the specifics. But essentially the area-of-search issues have emerged over the years as part of the collective bargaining process.

Mr Jim Thomas: If I may add to that, the minister's comments are absolutely right about the 40-kilometre limitation being something set out in the collective agreement, and it has been that way for some time, with

respect to people who are in the civil service and applying for a job that is a vacancy.

I don't know that we've looked at the situation with respect to people from outside the Ontario public service, but I can say that obviously at this point in time the opportunities for people to be employed within the Ontario public service from outside are extremely limited because of the fact that in a downsizing mode, we are trying to make sure that first preference goes to people who are on a surplus list, and for them the 40-kilometre rules applies.

There are, by the way, within the Ontario public service, some opportunities to address that a little bit through job trading programs within the Ontario public service so that where, for example, someone gets a job in a different location or is relocated, there can be an arrangement whereby the spouse can move and the 40-kilometre rules will not necessarily be applied strictly.

Mr Jim Wiseman (Durham West): I'd like to ask a couple of questions about purchasing within Management Board. The first question has to do with the Quebec-Ontario agreement. I'd like to know how the Ontario side of that agreement is working out and whether we have any indication that the agreement is functioning with respect to the tendering of contracts for government buildings close to the Quebec-Ontario border, whether there's a quid pro quo there, that we're actually seeing some benefits from that agreement.

Hon Mr Charlton: With respect to comments about the operation of the agreement, David McGeown's probably the best one to provide us with some comment and to either deal with or get us information on any specific examples you might have.

Mr Dave McGeown: My name is Dave McGeown; I'm the assistant deputy minister of supply and services.

The Quebec-Ontario agreement was signed on May 3, and it really came into place on September 1 of this year. So in terms of a track history, it has had a fairly short time span, really, since it's only been in operation for roughly two months.

All the indications are that both Ontario and Quebec are attempting to adhere to the agreement. There have been a few issues, as is normal in this kind of situation. For example, a construction company in Ottawa, PCL Constructors Eastern, has expressed some concerns about its inability to bid on the Quebec casino. There's a casino being built in the Outaouais region and they would like to bid on that.

The issue, however, comes down to whether that

casino is covered by the agreement, and in fact we would agree with our Quebec counterparts that it is not covered. That is because both Ontario and Quebec have excluded anything other than schedule 1 and 4 agencies and the government. Casinos are, in Ontario, schedule 2s and are therefore excluded, and Quebec takes roughly the same position, so they have excluded their casinos and we have excluded ours, just as we have both excluded Ontario Hydro and other crown corporations or organizations that act in a manner that would require them to be competitive with the private sector.

Yes, there are small glitches here and there around Advertising Review Board decisions about whether or not they are included, because it's described as wholly Canadian on the Ontario side and described as having Canadian participation or partial ownership on the Quebec side. These are small differences we are working out with Quebec officials on a regular basis. In fact, we anticipate meeting with Quebec officials within the next few weeks to sort out the minor differences that have occurred.

We have so far not encountered any situation which I would describe as a show-stopper, a situation where Quebec has simply refused to adhere to the terms of the agreement, and I think you would find if you were talking to Quebec that they would say the same thing, that they haven't encountered any situations where Ontario has refused to adhere to the terms of the agreement.

In fact, we recently sent Quebec all of our directives and regulations describing how Ontario purchases things, and Quebec officials have come back to us and said they were quite impressed with the actual documents they received and the openness they display. Quebec, on the other hand, has to implement that kind of thing through regulation, not through directives, and its regulations are quite complicated. We have legal people crawling through those Quebec regulations and trying to determine exactly where they comply and where they don't comply. We have not had a final report on that yet, but so far the indications are positive. With the few things the legal people have identified so far, they have pointed out to us that they believe it may be more a misunderstanding on their part because the regulations in Quebec are so complicated.

Mr Derek Fletcher (Guelph): I have a couple of questions about the collection services the government has. One is, why are we doing it as a government, why are we doing the collection services in-house? While you're answering that one, you could probably answer the second part of the question: Wouldn't it be better if it were in the hands of an outside collection agency? The third part is, are there any obstacles as far as Management Board in the collection of money? So it's the collection services.

Hon Mr Charlton: What was the last part?

Mr Fletcher: What are the obstacles when it comes to Management Board's collection of money through this collection service?

Hon Mr Charlton: I'm going to have to call on staff to help us with this one, but let me start out with respect to the issue you've raised about why we're doing it in-house. I don't know for how long, but for some time now

we've had some collection services internally and we've also contracted out some collections to the private sector. What we've found over the last several years is that our internal operation, as it's been restructured, has been more efficient and more effective at recoveries than the contracted-out work; in fact, as we've enhanced and expanded the role of our internal collection service, our success rates have improved dramatically overall. David, are you going to take this one?

Mr McGeown: Yes. I think the first question was, why are we doing it? Of course that has to look at the size of the outstanding accounts. There have been various studies of that, and the size could be as high as \$1 billion and perhaps even higher. We have currently in-house \$140 million worth of uncollected accounts that we're dealing with, so there's a sizeable amount of money involved.

1550

I should point out that central collections is a mandatory common service that we offer to all ministries of the Ontario government. We currently have 102 accounts with ministries.

We collect non-tax overdue accounts. I have to stress that: We do not collect taxes that are overdue. That's done by the Ministry of Finance, and it has special instruments available to it to ensure those are collected.

We are basically dealing with things like, for the Ministry of Education and Training, student loans, which make up about 29% of our accounts. The Ministry of Economic Development and Trade is our largest customer through the new ventures loan program, which makes up about 45% of the accounts, and then the Ontario Development Corp for 13% of the accounts. Those three large customers actually make up about 87% of the accounts, and that's our major area of focus.

A new area that is emerging, of course, is the whole area of uncollected fines. After the Ministry of the Attorney General has exhausted its efforts in attempting to collect, it would transfer them to us for that kind of work.

The organization has about 57 people in and collected \$20 million in 1993-94, and boosted that this year to \$25 million. Actually, you should know that in the previous year it was only \$14 million. We've had an aggressive campaign to make that organization even more effective. They currently collect about \$6 for every dollar we invest in that operation.

I mentioned we have \$140 million in-house, and we could probably have quite a bit more than that, but there is a problem which the Provincial Auditor has been working on with us in terms of getting the accounts out of the ministries and into the central collections agency.

You asked the question, why not private sector organizations? Central collections has been around, I understand, for about 20 years. I haven't been there for all 20, but I'm sure it has been there for that length of time. It has used private sector collection agencies for overflow and for special situations for several years. It also uses them for things like skip tracing. Skip tracing is a problem because many of the accounts are quite old. Especially with students, they've obviously moved once, twice,

maybe three times by the time we get the account, so finding them is an issue. We use the private sector for that as well.

The private sector organizations currently take about one third of our accounts. One of the reasons we don't use them exclusively is that, first of all, the kind of collections we have to deal with are quite sensitive and, as a government, we have to be aware of and take into account the debtor's particular situation and ability to pay. There has to be a strict adherence to freedom of information and privacy laws. It has to be an issue of counselling people when they're in debt. Sometimes people just need help to figure out how they can do it. They have to be courteous, fair, and we really expect them to conduct themselves in an exemplary manner with the client group.

It's often difficult for the PCAs to meet that type of requirement, so we spend quite a bit of time training the PCAs we do use to make sure they treat people in the appropriate manner.

On the issue of workload volume, using the PCAs to handle workload has been a good way to maintain the organization at a constant size and yet address additional workload. As I say, we've got about a third of our accounts out there.

The interesting thing is that if you look at the value of the collections for the money expended, the internal accounts are much more effective and efficient. We currently collect about \$6—actually, more than that—for every dollar we invest, and in the private collection agencies it's three to one.

The private collection agencies charge us between 30% and 50% commission on every account, and I think that's understandable, as they would not necessarily get the easiest accounts to collect. Often we're handing them accounts we've had difficulty dealing with, so that's one of the reasons it's less attractive. The other thing is that in that particular business a range around 30% is quite normal. In other words, it actually costs us more money to collect using the private sector agencies than the public agencies.

Is there anything else?

Mr Fletcher: Are there are any major obstacles you run into when you're collecting the money?

Mr Chris Stockwell (Etobicoke West): People don't pay.

Mr Fletcher: I guess that could be an obstacle.

Mr McGeown: In certain client groups there are obstacles particular to that group. Students are one of the more notorious groups we deal with, in that many students feel the loans they had were gifts and they're not really totally prepared to knuckle down and pay that amount of money.

The other obstacle, of course, is that in these days it is often difficult for people who are in difficult circumstances to pay the kind of moneys we're looking for, especially with a new ventures loan where they're looking at \$30,000 or \$40,000. What we often have to do, because we have very little capacity to forgive a loan—in fact we can't forgive a loan. We can recommend

to the ministry for which we are collecting that the loan is uncollectible, and the way we do that is by looking at the value of their finances. Often we will accept \$100 a month, even though we know it will take many, many years to pay it off. It's more the principle of saying: "Do your best, and if you come into good economic times a year or two from now, you can increase that amount. In the meantime, we'd like to keep you on the file and working to pay off your debt."

Mr Bruce Crozier (Essex South): It's evident that I'm relatively new at this, so I hope my question's an appropriate one. It regards rental property.

By way of example, I have a constituent who rents private property to the Ministry of Transportation for a licence examination office. For about six months now this owner has been kind of put on a monthly basis, and the reason given is that in the ministry they haven't yet made up their minds about whether they are going to stay at this particular location.

What can be done on behalf of that constituent within your procedures, to encourage a matter like that to be handled expeditiously so that it not go on for a number of months? Or are you simply at the mercy of the Ministry of Transportation and its decision process?

Hon Mr Charlton: Probably it would be best, although it's not directly ours, to ask Tim if he would make some comment about what we know about circumstances like that.

Mr Crozier: It's more how the process works. I know you may not be able to handle this specific one, but how is it that you can expedite these kinds of things?

Mr Tim Casey: I'm Tim Casey, the CEO for Ontario Realty Corp.

The situation is really as you would reflect it, with regard to a process. It is the ministry that is looking for the space and wants to occupy space that would identify its requirements. Oftentimes when you get to the end of a lease, particularly at times of change within government, anything from a change in programs, a change in the number of staff people may have and so on, you get into a situation where there's some uncertainty as to exactly how much space a ministry would want to commit to for, for instance, a five-year lease, so we get into the situation of what we call a month-to-month lease or an overhold situation.

What we do is try to encourage those ministries to come to some conclusion, even if it means that we get into a situation of renting a certain amount of space for five years, and perhaps another portion of it for a lesser term to give it some flexibility, but we really are at the mercy of the decision-making around the ministries as to when to commit.

1600

A landlord, on the other hand, does have the provision of charging the suitable rent at that point in time so we don't maintain the same rent we were paying before. In effect, it then becomes current market rent for a month-to-month lease. Obviously, if the landlord had other options such as renting it to someone else, they could exercise those options at that point in time and in effect

evict us if they so chose. Usually we're working with the landlord, though, to try to identify when we'll know the exact amount of space required, to give them as much notice as possible about what we're going to need in the future and for how long.

Mr Crozier: A question that would lead me to ask, and again it's just as much for my information as anything: Are there any particular criteria that are applied about when the provincial government would buy or build as opposed to lease? It may not be as magic as a formula, but what criteria do you use to determine whether you're going to lease, buy or build?

Mr Casey: Prior to the formation of the Ontario Realty Corp, normally what we did is that we went out and made a determination about whether we had existing government space to accommodate whatever the need was. If we didn't, it became strictly a situation of what kind of cash was available in the capital coffers to pay for either a purchase or build. If there was not sufficient cash, we went out and leased a property.

When you lease property for a long period of time, it tends to be a rather uneconomical method. If you're going to occupy property for anywhere from about 18 to 22 years, at that point you cross over the line where it makes it much more efficient that you own the property. In effect you're paying the equivalent of a mortgage, and it would be as if your mortgage was paid off and yet you're still paying the landlord for it.

So what we now do in the Ontario Realty Corp is make a determination on a business case basis, looking at the long term or for whatever period we intend to occupy, as to what's the most economical method. We have access to internal and external financing with which we can borrow the money and then match the cost of that asset directly against the revenues that would derive from the asset by renting it. This exercise is obviously going to create some efficiencies, because rather than simply going out and leasing because you don't have particular money in a particular pot, you're picking the most economical method to do it.

Mr Crozier: And if you have buildings you own that are simply no longer needed, is it your mandate to sell them at market value, or how is it you go about selling excess buildings?

Mr Casey: Normally, we sell all our facilities that are surplus to needs at market value. There are those circumstances, however, where we might sell a facility to a municipality for purposes, and if the municipality is going to use it for other than what it's advised us it's going to use it for, we have the ability to buy it back at the same value.

An example would be that some municipalities, where we have owned a heritage court facility in the middle of town, would want to convert it over to municipal use or something like that. It will usually require quite a bit of upgrading, so the municipality buys it from us for some figure, puts the capital into it, upgrades it and uses it for municipal purposes. If, however, they ever wanted to sell it to the private sector, for instance, they would have to in effect give it back to us for the same price we sold it to them.

But normally anything sold to the private sector, sold to the federal government or whatever is usually sold at market value.

Hon Mr Charlton: If I could just add a couple of comments to what Tim has said, essentially the policy and the direction to the ORC is to sell property at market value, but there are exceptions, and Tim has mentioned a couple. When we sell at less than market value through our ministry, that normally happens as a result of the recommendation of another ministry, where there is a policy rationale to sell a piece of land to a municipality for a firehall or some other public purpose.

In other words, as is often said, there is only one taxpayer, so if the province has land that can assist a municipality to deliver a particular public service which the public is going to have to pay for at the end of the day one way or the other, then we often, on the recommendation of the appropriate ministry, will make one of those deals at less than market value. But, as Tim has said, restrictions then get put on the resale of that property or the use of that property for other than what it was originally sold for, and there are ways of making those recoveries.

Mr Casey: I should note that it's not something that's taken lightly. It is a cabinet decision to sell at less than market value, so we can't make that independently.

The other aspect is that we always sell on a competitive basis.

Mr Crozier: I'm pleased to hear that, because then the days of selling for a dollar are gone, I would assume. The reason I asked was that in my town five or six years ago there was an old federal post office, and the citizens couldn't imagine why the government wouldn't simply give it to us for a dollar. I appreciate your comment, sir, that times have changed and it's a responsibility of the government to, as best it can, sell for market value or at least recover as much as it can. So I'm pleased to hear that.

Mr Stockwell: First off, I'd like to thank them for responding to my question in writing. If I had any idea what the answers were, I'd be happier, but it's okay; they're probably good. I'll take a look at them. Some of the short forms I'll have to work out. I'm not that up to speed on some of these FTEs and S and Ws.

Hon Mr Charlton: FTEs are full-time equivalents, as in employees.

Mr Stockwell: And S and Ws?

Hon Mr Charlton: Salary and wages.

Mr Stockwell: S and Ms? That's a joke.

I'd like to start by talking about this collection process. Actually, I'd like to ask a question to somebody who hasn't had one yet. Who's here from the ministry? Just a show of hands. Could Hansard record that? Thanks.

Interjection: You were up late last night.

Mr Stockwell: Yes, it was a late night, with the municipal elections and all.

The question I have is with respect to the private sector. I'm a firm believer in contracting out. I know that probably your position is to come forward and say, "We do it as well as the private sector." I don't believe it,

frankly, but I will pursue this avenue because I find it interesting.

First off, you say the private sector works on about a three to one ratio, as opposed to your six-to-one ratio.

Mr Fletcher: Those are different accounts.

Mr Stockwell: That's right, different accounts. The private sector's accounts, you've already said, are harder to collect. Could we say, then, that you shift those to the private sector that are basically in your books uncollectible?

Mr McGeown: No, you could not say that.

Mr Stockwell: What percentage would be uncollectible?

Mr McGeown: I think a relatively small portion of them. I don't know the exact number—

Mr Stockwell: Twenty per cent?

Mr McGeown: It might be that high; I just don't know.

Mr Stockwell: Of those 20%, how many do they collect?

Mr McGeown: They would perhaps collect half of those.

1610

Mr Stockwell: So in essence, by shipping out those uncollectibles that you can't collect to the private sector, they're coming up with half of what you can't collect. Ideally, that's going to skew the results with respect to the three to one, six to one. You admitted that earlier.

Mr McGeown: If I could just make a clarification, the system is not one of simply putting uncollectibles to the private sector. That wouldn't work very well. First of all, it would mean we would be dealing with them for perhaps a year before they got them, which would make it very difficult to collect.

The actual system is that certain specific kinds of collections go directly to the private sector. An example might be uncollectible fines; we only have a very small unit dealing with that. We deal with a portion of that, and they deal with the other portion. It's not a matter of being uncollectible or collectible, it's simply a matter of establishing that those are the accounts that go directly to them.

Mr Stockwell: But you've admitted they're harder to collect. Earlier, you admitted that.

Hon Mr Charlton: No. I thought I heard him say that we get more fines to collect than we can handle. They get a package of them. They're getting part of the same package of fines to collect as what we hand to our own people in the small unit.

Mr Stockwell: All I'm asking is that you said earlier they were harder to collect. That's what you said.

Mr McGeown: I said that in general many of the accounts we send there are more difficult to collect simply because they are that particular variety of accounts we have finished our collection activity on. What we found, and it's not a matter of being harder—

Mr Stockwell: Hold it, just clarify.

Mr McGeown: If I can just answer.

Mr Stockwell: I just want to clarify that one point. You've completed your efforts: By saying you've completed your efforts, can I assume you've deemed them uncollectible?

Mr McGeown: We have deemed them uncollectible—

Mr Stockwell: Thank you.

Mr McGeown: —in terms of investing more money in tracking them down. But the thing you have to understand is that it's a very deliberate action on our part to then send it to a PCA, a private collection agency, because having a different agency work on it, different tactics, sometimes just the fact that the debtor gets the call from a different agency, causes them to rethink their position and pay. It works the other way around as well. Sometimes the PCAs will send them back to us and we will collect them.

I'm not saying for a moment that there isn't a tendency on our part to normally collect the easiest ones first. That's what you do in this business, because the sooner you get on to a collection the more effective it's going to be.

Mr Stockwell: I guess the point is that if you just sent all of them to the private sector, they could come back with a far better ratio than three to one, would you not agree?

Mr McGeown: There's no evidence to support that.

Hon Mr Charlton: Put this in another perspective: Since we started to expand our own operations, we're collecting more today than the government has ever collected before.

Mr Stockwell: Let's just take a bold step here. There are people who, with one phone call, pay, with one letter, pay. They realize: "Oh, they got me. I'm paying." There are some people like that. Correct?

Mr McGeown: I'm sure there are.

Mr Stockwell: You sent them a letter and they're counted as your collectibles. Correct?

Mr McGeown: Yes.

Mr Stockwell: So in essence—and I'm not blaming you for this; I'd do it too—they're charging you 30 cents on the buck to collect. But there's a process that allows you to collect a lot of those who are simply going to pay upon the first letter, and that goes into your six-to-one ratio. I'm really backing up your argument. You said they get harder ones to collect. It makes absolute sense that it would be insane for you to be shipping off the simple collectibles to a private sector. I'm not blaming you for it. I'm trying to get the ratio in line.

Mr McGeown: I guess I'm only trying to ensure that my answer is correct. The point I made was that there isn't a process where someone sits down and says: "These are all the easy ones; we'll keep those. These are all the hard ones; we'll ship those out." The process is one of deciding up front—and these are done in formal agreements with the collection agency—"You will receive these accounts and you will deal with them." That's the only thing I'm trying to make sure of, that that's clear.

Mr Stockwell: Tell me, in the costs you figure into

your six-to-one ratio, what do you build into that cost?

Mr McGeown: We build in the cost of salary and wages, the cost of all equipment associated with running it, in fact the budget of the organization.

Mr Stockwell: What do you mean by equipment?

Mr McGeown: They have, for example, personal computers they use to store their accounts and bring their accounts forward and link into various other organizations.

Mr Stockwell: Cars?

Mr McGeown: There are no cars.

Mr Stockwell: Mileage?

Mr McGeown: There's very little mileage.

Mr Stockwell: Would that be included, if there were mileage charges?

Mr McGeown: If there were, it would be a trivial amount. It wouldn't be—

Mr Stockwell: Do they work in your building?

Mr McGeown: They work at a separate location and the cost of that is included.

Mr Stockwell: Is included in the cost of the ratio.

Mr McGeown: Yes. It's a very small percentage of the cost, anyway. It would be, I would imagine, less than 1%.

Mr Stockwell: So they're in leased space.

Mr McGeown: They are in leased space right now.

Mr Stockwell: What does that mean?

Mr McGeown: They will be moving into government space next month, the months of January and February.

Mr Stockwell: How are you going to figure that cost in? Are you going to appropriate a certain portion of the capital expenditure, of purchasing and write-downs and so on to this group?

Mr McGeown: Well, of course we will all be paying for government space in the future.

Hon Mr Charlton: That's why we set up the ORC, Chris, to start charging everybody fair market rent for their accommodations.

Mr Stockwell: So that would factor into their six-to-one ratio?

Mr McGeown: That would factor in, yes.

Mr Stockwell: In essence, their rent, their desks, their calculators, their secretaries are all factored into the six-to-one ratio.

Mr McGeown: Yes.

Mr Stockwell: And when you go about figuring out exactly what the costs are to the government, they're calculated all related to costs, capital costs etc.

Mr McGeown: Yes.

Mr Stockwell: With respect to the collection process, you suggested to the committee that when you took it over—how long ago did you take over the full collection?

Mr McGeown: Government has been collecting for 20 years.

Mr Stockwell: What was the ratio about 20 years ago?

Mr McGeown: I don't have an answer to that.

Mr Stockwell: What was the ratio when you first worked out the ratio?

Mr McGeown: I couldn't tell you.

Mr Stockwell: When did you start keeping ratios?

Mr McGeown: I can only tell you about the last three years. I actually have ratios that go back five, and it doesn't vary very much. It has been as low as three to one, if you went back about six years, and has not progressed steadily since then.

Mr Stockwell: There would be people this group reports to, I assume. Ultimately, I suppose you're responsible for this particular operation. You're answering the questions; I assume you're responsible.

Mr McGeown: That's right.

Mr Stockwell: Would a portion of your salary be attributed to their costs?

Mr McGeown: I haven't included that, no.

Mr Stockwell: What about people beneath you through whom they report? I've got to assume there are people who—

Mr McGeown: There really is only one.

Mr Stockwell: So they just report directly to you.

Mr McGeown: They report to a director who reports to me.

Mr Stockwell: And would this director's costs be included in the cost of recovery?

Mr McGeown: No.

Mr Stockwell: We're back to the classifications. When you say they're directed, you've made an agreement with the private sector to collect. Tell me, what is it you give the private sector to collect, specifically? You've made agreements with them. What do they get, parking fines, speeding tickets?

Mr McGeown: They take on student loans; that's one of their collectibles. The uncollectible fines out of the Ministry of the Attorney General are another.

Mr Stockwell: What are uncollectible fines?

Mr McGeown: An uncollectible fine is a fine that has been levied against an individual that the ministry has been unable to collect through the normal process.

Mr Stockwell: So that's like an uncollectible.

Mr McGeown: It's an uncollectible fine to the Attorney General. It becomes a fine we would attempt to collect as a collection agency.

Mr Stockwell: You told me student loans were tough to collect. Do they get those too?

Mr McGeown: Yes, they do, but so do we. That's evenly split.

Mr Stockwell: They seem to get some tough ones. What other ones do they get?

Hon Mr Charlton: All the stuff we get is tough.

Mr McGeown: They get a little bit of everything. If you're really interested, we could give you a complete listing of everything we get.

Mr Stockwell: No, I'm not that interested, actually.

Mr McGeown: Well, we'd be happy to provide it.

Mr Stockwell: I'm really not that interested. You know what? I've run out of questions. Oh, hold it. I have one more question. Do I still have time?

The Acting Chair: Yes, you've got some time, not quite seven minutes.

Mr Stockwell: I was reading your answer to—I don't know if it's you, actually. It was Ms Caplan's question regarding the average time it takes to resolve a grievance. It's not you?

Mr McGeown: No, it's not me.

Mr Stockwell: Don't take this switch out of my time.
1620

Ms Phyllis Clark: I'm Phyllis Clark, ADM, strategic policy.

Mr Stockwell: Hi. It's a quick question. I love these reports. They're good, they're informative. But you've given me a wide range here of how long it takes to arbitrate. You say the low is three months and the high is 15 months. What's the average?

Ms Clark: We haven't worked out averages. I'm not sure what that would show us.

Mr Stockwell: It would show us what the average is. You tell me three months and I'd say 15 months, but are more of them 15 months than three?

Hon Mr Charlton: Remember, Chris, the range of three months to 15 months represents two kinds of processes. That's why Phyllis is saying that an average might not mean very much. If you read the whole note, what it's telling you is that people have a choice when they've filed a grievance: They can either take the expedited route and pursue a single-arbitrator arbitration and do it very quickly, or they can demand a full panel hearing and wait for a while. We could analyse those two together and perhaps create two averages that might have some meaning, but to create one average would be, I guess we're saying, a distortion, because they're talking about two completely different processes here.

Mr Stockwell: I read that. How about the average for the expedited process?

Ms Clark: That would be closer to the lower end, but again there are items involved in that, pauses that are natural, pauses with regard to scheduling. It's not as if, when a grievance comes up, the next day you can be immediately into arbitration. You have to ensure that you can get the parties who are involved scheduled to go. That can take a week and that can take 10 weeks. But the expedited would definitely be at the lower end.

Mr Stockwell: Let me ask you this: Of most of the cases you look at, would they generally take closer to 15 months or three months to resolve?

Ms Clark: Expedited cases are closer to the three-month range, and those are the ones that come in that have made it through—you have to go through various stages for grievances. You settle a lot of issues in the first and second stages, and we're working on getting more of

those settled in those two stages at this point. It's only extremely difficult or contentious issues that can't be solved quickly that end up at the 15-month stage, and those are extraordinary as compared to commonplace.

Mr Stockwell: So the vast majority would get settled within three to five months?

Ms Clark: You're asking me again to put a range on something that I haven't made calculations about.

Mr Stockwell: But this is so broad. "How long does it take to settle a grievance?" You come back with a report and say, "It generally takes between three and 15 months." What good is that information? So what? Every grievance takes somewhere between three to 15 months to resolve. I didn't need this report to tell me that.

Ms Clark: What you needed the report to tell you, though, is the amount of time we're trying to reduce these by. We're trying to halve the amount of time we're going to be devoting to grievances, to settle them in half the time we did before.

Mr Stockwell: You're telling me that, but I have nothing that proves that, you know? Government tells me a lot of things.

Ms Clark: And you believe them all, I know.

Mr Stockwell: The only one I don't believe is, "I'm here from the government and I'm here to help."

The Acting Chair: I understand there are no more questions to be asked, so I would call the vote now, if that's agreed by all the members.

Shall vote 2001 carry? Opposed? Carried.

Shall vote 2002 carry? All opposed? Carried.

Shall vote 2003 carry? All in favour? Opposed? Carried.

Shall vote 2004 carry? All in favour? Opposed? That vote shall carry.

Shall vote 2005 carry? All in favour? Opposed? That vote will carry as well.

Shall the estimates of the Management Board Secretariat carry? All in favour?

Mr Stockwell: A recorded vote.

The Acting Chair: A recorded vote on that. All in favour?

Ayes

Abel, Fletcher, Hayes, Lessard, Wiseman.

The Acting Chair: All opposed?

Nays

Crozier, Stockwell.

The Acting Chair: Shall I report the estimates of Management Board to the House? All in favour? Opposed? That shall carry as well.

The next meeting will be tomorrow, Wednesday, November 16, also in committee room 2, with the Ministry of Agriculture, Food and Rural Affairs coming before this committee.

The committee adjourned at 1625.

CONTENTS

Tuesday 15 November 1994

Management Board Secretariat	E-747
Hon Brian A. Charlton, chair, Management Board of Cabinet and government House leader	
Jim Thomas, deputy minister	
Dave McGeown, assistant deputy minister, supply and services	
Tim Casey, assistant deputy minister, realty group and chief executive officer, Ontario Realty Corp	
Phyllis Clark, assistant deputy minister, strategic policy division	

STANDING COMMITTEE ON ESTIMATES

Chair / Président: Jackson, Cameron (Burlington South/-Sud PC)

Vice-Chair / Vice-Président: Arnott, Ted (Wellington PC)

***Acting Chair / Président suppléant:** Carr, Gary (Oakville South/-Sud PC)

*Abel, Donald (Wentworth North/-Nord ND)

Bradley, James J. (St Catharines L)

Duignan, Noel (Halton North/-Nord ND)

*Fletcher, Derek (Guelph ND)

*Hayes, Pat (Essex-Kent ND)

*Lessard, Wayne (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

Ramsay, David (Timiskaming L)

*Wiseman, Jim (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Crozier, Bruce (Essex South/-Sud L) for Mr Bradley

Stockwell, Chris (Etobicoke West/-Ouest PC) for Mr Jackson

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



E-39

E-39

ISSN 1181-6465

**Legislative Assembly
of Ontario**

Third Session, 35th Parliament

**Assemblée législative
de l'Ontario**

Troisième session, 35^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 16 November 1994

**Journal
des débats
(Hansard)**

Mercredi 16 novembre 1994

**Standing committee on
estimates**

Ministry of Agriculture,
Food and Rural Affairs

**Comité permanent des
budgets des dépenses**

Ministère de l'Agriculture,
de l'Alimentation
et des Affaires rurales



Chair: Cameron Jackson
Clerk: Tonia Grannum

Président : Cameron Jackson
Greffière : Tonia Grannum

50th anniversary

1944 – 1994

50^e anniversaire

Hansard is 50

Hansard reporting of complete sessions of the Legislative Assembly of Ontario began on 23 February 1944 with the 21st Parliament. A commemorative display may be viewed on the main floor of the Legislative Building.

Hansard on your computer

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. For a brochure describing the service, call 416-325-3942.

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-7411.

Subscriptions

Subscription information may be obtained from: Sessional Subscription Service, Publications Ontario, Management Board Secretariat, 50 Grosvenor Street, Toronto, Ontario, M7A 1N8. Phone 416-326-5310, 326-5311 or toll-free 1-800-668-9938.

Le Journal des débats a 50 ans

Le reportage des sessions intégrales de l'Assemblée législative de l'Ontario, fait par le Journal des débats, a commencé le 23 février 1944 avec la 21^e législature. Une exposition pour marquer cet événement est étalée au premier étage de l'Édifice du Parlement.

Le Journal des débats sur votre ordinateur

Le Journal des débats et d'autres documents de l'Assemblée législative pourront paraître sur l'écran de votre ordinateur personnel en quelques heures seulement après la séance. Pour obtenir une brochure décrivant le service, téléphoner au 416-325-3942.

Renseignements sur l'Index

Il existe un index cumulatif des numéros précédents. Les renseignements qu'il contient sont à votre disposition par téléphone auprès des employés de l'index du Journal des débats au 416-325-7410 ou 325-7411.

Abonnements

Pour les abonnements, veuillez prendre contact avec le Service d'abonnement parlementaire, Publications Ontario, Secrétariat du Conseil de gestion, 50 rue Grosvenor, Toronto (Ontario) M7A 1N8. Par téléphone : 416-326-5310, 326-5311 ou, sans frais : 1-800-668-9938.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 16 November 1994

Mercredi 16 novembre 1994

*The committee met at 1547 in committee room 2.*MINISTRY OF AGRICULTURE,
FOOD AND RURAL AFFAIRS

The Vice-Chair (Mr Ted Arnott): Today we are dealing with the Ministry of Agriculture, Food and Rural Affairs. I want to welcome the minister, the Honourable Elmer Buchanan, Deputy Minister Rita Burak and ministry staff here today. Just to indicate, these will be votes 101 to 105. As we're initiating estimates today, we have allocated six hours of time to deal with these spending estimates.

Minister, welcome. I'd like to recognize you at this time for your opening statement.

Mrs Joan M. Fawcett (Northumberland): We get six hours—

The Vice-Chair: We'll talk about that. Go ahead, Minister.

Hon Elmer Buchanan (Minister of Agriculture, Food and Rural Affairs): You mean I've got to talk for six hours?

The Vice-Chair: No, you don't have to.

Hon Mr Buchanan: Mr Chairman, members of the committee, I'm pleased to be here again this year to present our 1994-95 estimates for the Ontario Ministry of Agriculture, Food and Rural Affairs.

During our preparation for today's meeting, I spent quite a bit of time reflecting back on the past four years. That day when I took over the ministerial reins seems like a long way off now, but I can recall thinking at the time that the job ahead for me was going to be especially challenging. Discontent was widespread in the farm and rural areas of the province, and our agriculture and food industry was struggling to cope with intense economic pressures, including a rapidly changing international business environment.

As someone who grew up in rural Ontario, I knew that the rural communities were an integral part of our province's social and economic fabric and that they needed help. It was clear that immediate support was needed, as was a long-term program of revitalization.

Well, that was four years ago, and I'm pleased to say that much has changed. I'm also very proud of our many accomplishments. Today, we are seeing a new spirit of cooperation. Farm groups, industry players and rural residents are working together to face the future, and they are coming up with solutions for dealing with common challenges. I believe that the actions of my ministry and our approach to doing business played a big hand in fostering this cooperative spirit.

One of the things we did was to throw out the old top-

down way of doing things. We took on the role of facilitator and started working with people in rural communities and the agrifood industry.

As a facilitator, we have been focusing on bringing out the natural abilities and strengths of all the players in the food chain: the farmers, the processors, the distributors, the retailers and even the bankers. I found really encouraging the fact that these players have come to support the idea that change is necessary and are accepting the new scheme of things.

Since we've come up against adversaries like the recession and the changing global economic order, we've been acting more and more like a team, working together to strengthen the entire agrifood sector. As members know, an important component of this endeavour has been the Vision 2020 process. It has been two years since Vision 2020 first began when my ministry, in partnership with Ontario's agriculture and food industry, set out to help this sector rethink its traditional approach to doing business.

Vision 2020 has helped foster change and is helping the industry discover what it does best, and decide how it can build on these strengths for the future. Alliances among the agrifood industry players are resulting in fresh ideas and innovation. At the last Vision 2020 conference, a vision statement was developed which I think speaks volumes, and I quote: "Ontario will be a world leader in agriculture and food markets in which farmers and food processors will operate in a sustainable, profitable and dynamic environment, and in which all players can compete, foster and grow to serve the needs of their consumers." It essentially says that all players within the chain will work together, will be sustainable and profitable.

As members know, Ontario's agrifood industry is an important contributor to the province's economic wellbeing. It injects about \$18 billion a year into our overall economy and is our second-largest industry. For this reason, it was critical for the industry to set new directions for itself and become better positioned to take advantage of new opportunities. Vision 2020 has allowed this to happen and I'm pleased that our government played such an integral role in the process.

In addition to bringing industry players together to discuss and plan, we have been helping the agrifood industry in other ways as well.

For example, my ministry is working with the industry to identify, develop and respond to both domestic and international market opportunities. This doesn't just mean focusing on new opportunities, but it means strengthening and building upon existing relationships as well. Trade

missions and export trade shows are involved here, as is playing host to foreign delegations that come to visit Ontario agrifood operations first hand.

This type of support is paying off. Ontario has moved into the lead among Canada's agrifood exporting provinces with an unprecedented \$3.7-billion total for 1993, a figure that represents well over one quarter of Canada's agrifood exports.

Investor confidence in our food processing sector is also running very high. For the three-year period ending in 1992, which is the last reported year, Ontario received the second-highest amount of food industry investment out of all the jurisdictions in North America; only California was ahead of us in terms of investments in the agrifood industry.

Earlier this fall, I attended two major food industry openings, both of which represent the confidence that investors have in Ontario's agrifood potential. One opening was in London at a \$3-million research and development facility constructed by Ault Foods, and the other opening was at Nestlé Canada's new corporate headquarters in North York. Such investment is reassuring and it is doing much to enhance Ontario's strong economic foundation. As well, it is contributing to the livelihood of thousands of Ontarians who are employed in the agrifood sector.

Numbers alone, however, fail to capture the tremendous importance of farming and food processing to communities, families and individuals across Ontario. Rural communities have been the backbone of this province since its early days and they still are, but as we also know, they have been dealing with tremendous challenges and pressures.

Our government recognized the importance of these communities and took steps to revitalize them and help them deal with change. We've been providing communities with the tools they need to help themselves, based on the idea that it's the people who live in a community who often have the best ideas about what's right for them.

One of the tools we created is the Farm Registration and Farm Organizations Funding Act, commonly known as stable funding. Stable funding gives a louder voice to farm organizations, such as the Ontario Federation of Agriculture, that speak for rural Ontarians, for their concerns and their vision of the future.

Even though stable funding hasn't been around for very long, its benefits are already being realized. For example, in 1994-95, the OFA will have \$5.4 million to service its 38,000 members. This is up dramatically from 1993-94, with \$3.2 million, when membership stood at 19,800.

These extra funds will help farm organizations become stronger, which means that they can provide their members with a better degree of support, especially at the grass-roots level. I am pleased that stable funding is overwhelmingly supported by Ontario farmers, who clearly believe in the benefits of well-funded organizations to represent them and their interests.

I have also been working very hard to obtain a national

consensus on a whole-farm income safety net program to protect farmers against the fickleness of weather and markets. Recently, we took further steps towards implementing a whole-farm program by extending the net income stabilization account, or NISA. For the 1994 tax year, NISA will include livestock and all remaining non-supply-management commodities. The enhanced program for edible horticulture is also being extended.

I believe that NISA, or a NISA-like mechanism, can be used as the basis for developing a whole-farm income safety net. The NISA program contributes to long-term income stability for producers, which results in greater stability for rural communities.

I share the view held by many Canadian farm leaders and agricultural organizations that a comprehensive national income protection program is needed for all Canadian farmers.

The members know that I've been a strong supporter of a well-planned and well-administered whole-farm income protection program. At the same time, I believe we must retain our crop insurance and market revenue programs.

I remain optimistic that a consensus on this important issue will be reached at next month's federal-provincial ministers' meeting, which I will be co-chairing. I'm looking forward to finalizing the terms of the program, including a more equitable federal-provincial cost-sharing mechanism.

Perhaps the foremost example of the government's commitment to revitalizing rural Ontario came about last March, with the expansion of my ministry's mandate to include rural affairs. This additional focus ensures rural communities receive the kind of attention they need and deserve.

Our extended mandate has led to a new rural division and a rural development secretariat, both of which support rural business and community development. They also ensure that all provincial ministries approach rural development issues in a coordinated way. I would point out that this is very important for me personally and I think that it's been well received by everyone in rural communities. There's a lot of work to be done, but it is an excellent start.

A good example of our support for forward-looking initiatives comes in the form of Jobs Ontario Community Action, which most of us call JOCA, which my ministry has been heavily involved in. As the members know, JOCA provides funding for projects that support local economic development. Most important, though, is the fact that these projects are community-inspired, created by people in the community for the community.

1600

I'd briefly like to tell the members about a couple of rural projects that are receiving JOCA funding. The first was developed by Women and Rural Economic Development, a group founded in 1993 to increase women's participation in Ontario's rural economy. Their idea was to set up five rural business networks across the province to provide business support and self-employment training for women interested in setting up their own businesses.

As well, these networks would foster connections between women entrepreneurs.

Initial funding of \$126,000 was given to Women and Rural Economic Development to establish the networks. Then, when they were up and running and proving to be useful, an additional \$270,000 in funding was given to expand the program to 10 networks.

The funding was also used to develop a community-based marketing strategy for craft-based businesses. Already, 65 businesses have been created, and I understand that more are expected to be developed in the near future, thanks to the ingenuity of the women involved and the support they receive from the Rural Women in Business Networks.

The second project I'd like to mention was created by Agricultural Marketing for Eastern Ontario, or AMEO, a non-profit organization made up of farmers and food processors from a 17-county area that stretches from Victoria county to the Quebec border. AMEO was given almost \$36,000 to conduct a two-phase survey to identify and evaluate agricultural marketing opportunities in the region.

Results from the first phase of the survey show that locally grown products could generate an incredible \$25 million in sales for eastern Ontario. The survey's second phase is now looking at developing new market opportunities to take advantage of those potential sales. These two projects, as well as all the other JOCA-funded projects across the province, have a common denominator. They have all been conceived by local groups that desire the best for their communities, by people who want to have a hand in charting their common future.

Interministry cooperation has played a big part in the success of the Jobs Ontario Community Action program. This cooperation is leading to other unique initiatives as well. One of these is the community food adviser program. The food adviser program is a joint venture between my ministry and the Ministry of Health and is now up and going in 10 locations across Ontario. It supports volunteers who raise community awareness about food selection, preparation, safety, storage and even food budgeting.

The community food advisory program is important because it promotes good health in our communities. People learn about how their eating habits impact their overall wellbeing and they acquire a sense of control over their long-term health. Such heightened awareness about food issues will also translate into savings for our health system, especially when you consider that each year, 1.5 million Ontarians suffer from food-related illnesses.

I am pleased that we are making significant progress in addressing rural development issues through a coordinated community-oriented approach. As members are aware, the financial stability of farmers is vital to maintaining healthy rural communities. A couple of years back, our government went out in search of fresh ideas on how to deal with this important issue. We met with rural people who told us what they wanted and needed and we have acted. We came up with what is called the agricultural investment strategy.

A key component of the investment strategy is a program called FarmPlus, which has been a huge success. FarmPlus has seen my ministry working with credit unions and caisses populaires to channel money from guaranteed investment certificates into a special pool for farm-related businesses, loans and mortgages. Right from day one, FarmPlus was a winner. In the first two months of the plan, sales of GICs tripled the expectations. The most recent figures show that more than \$21 million have been invested in these GICs; that is, \$21 million available across the province, funds that stay in rural communities, funds that are designated for farmers in the agrifood business.

The agricultural investment strategy covers education and training to help farmers deal with the complexities of farm finance. Last year, under the education on farm finance and law program, we conducted 49 workshops on credit management across the province. About 830 farmers took part in the courses, which were delivered by teams of professionals, including lawyers, bankers, farm leaders and ministry staff.

Support for farmers has come in other forms as well. Take the highly successful Ontario feeder cattle loan guarantee program, which provides an alternative source of credit for cattle farmers at reasonable rates. It is also an excellent example of cooperative strategy for agricultural finance. This past spring, we added \$10 million to the feeder cattle loan program, raising it from \$25 million to \$35 million. This increase reflected the fact that the 1993-94 value of loans was double that of the 1992-93 season.

The ethanol issue is yet another indicator of our commitment to fostering rural economic development. The ethanol industry makes sense in at least two significant ways: It deals head-on with the economic change both for farmers and rural communities, and it provides an environmentally friendly alternative fuel.

As members know, I have been pushing hard for Ottawa to take the necessary steps to encourage the growth of the ethanol industry. But like many others, I have been frustrated by the federal government's lack of response to this issue that is of such importance to rural development. One important step Ottawa must take is to secure an 8.5-cent-per-litre excise tax exemption for ethanol. The key word there is "secure."

Our government has already provided concrete support for Ontario's ethanol industry. Back in March, we provided a \$5-million grant for the construction of an ethanol manufacturing facility in Chatham, and funding has also been given to the Seaway Valley Farmers' Energy Co-Operative to develop marketing and investor support for a plant in eastern Ontario.

I believe it is the responsibility of government to support innovative ideas such as ethanol, initiatives that are grounded in the present yet have an eye on the future. But to show such support, government first has to listen to what people have to say. Indeed, listening is something that our government thinks, and I think, is very important. By meeting with constituents and hearing their ideas, we come up with the solutions that work.

I've already talked about our consultations that led to

the successful agricultural investment strategy. The members may also know about the advisory committee on rural development formed earlier this year to review existing rural development issues and initiatives and make recommendations. The committee is made up of a diversified and experienced group of people from across the province. They are familiar with all aspects of community development and are serving as a link between communities and the ministry.

We have also been meeting with rural residents to discuss specific issues affecting their communities. Last January, for example, my ministry and the Ministry of Community and Social Services held Ontario's first ever rural child care conference. Participants were able to acquire skills, share resources and experiences, and discuss and develop child care appropriate to their needs.

Just in September, I was involved in a youth conference called A Voice and a Choice, which was organized by the Ontario Coalition for Children and Youth. On the Saturday evening of the two-day conference, I hosted a session focusing on rural youth issues, which gave me an opportunity to meet with young people from across the province, listen to their concerns and find out about what's important to them.

The issues that we explored were far-reaching. They were interested in everything from the education system to such societal issues as racism, teen pregnancy and suicide, problems that were once thought to exist only in our urban areas.

The youth conference was a very successful exercise both for the young people and for me. They came away with the knowledge that their voices can be heard and that they can make a difference in their communities, and they got a taste of what it's like to work cooperatively.

In many ways, the youth conference stands as a symbol of what our government has been doing these past four years for Ontario's agrifood industry and for our rural communities. We have been bringing people together. We have been getting them to talk about their concerns and about their ideas for new directions, and all the while we have been listening so that we can bring forward initiatives that support the different visions that Ontarians have of the future.

As I've described, our way of doing business is working. Cooperation is becoming the norm. Through processes such as Vision 2020, players in the agrifood industry now realize the importance of working together towards shared goals.

This spirit of cooperation has also taken root in our rural communities. People are listening to the concerns and needs of one another, ideas are being exchanged, and common solutions to common problems are being found. My ministry is supporting these communities in their efforts.

I'm proud of what our government has accomplished. Not only have our efforts led to a stronger agrifood industry in Ontario and a process of revitalization for our rural communities, but they have created a sense of optimism about the future, a feeling that challenges can be overcome and opportunities taken advantage of.

I'm sure that members of the committee will have comments and questions and I look forward to addressing these. Representatives from my ministry will help in responses and together we will certainly attempt to provide whatever is needed so that the committee can make a constructive discussion of our estimates.

1610

The Vice-Chair: At this time, I'd like to inform the committee members of a situation that we face today. The standing orders of the Legislature indicate that the report by the estimates committee has to be made to the full House by the third Thursday of November, which is tomorrow, so we have only today for dealing with Agriculture, Food and Rural Affairs estimates. We have about 90 minutes to go.

There's been agreement from the three caucuses that we'll have the votes at 20 to 6 so that we can, in turn, go and vote in the Legislature on the resolution that's being debated today. So we have 90 minutes to go, approximately, at this point in time.

I'm open to suggestions from the committee as to how they'd like to do it, but what I would suggest perhaps is that I recognize the Liberal caucus now for 20 minutes. If you wish to use your time to have a response from the minister or if you would prefer to immediately engage in questions to the minister and ministry staff, that would be fine as well. I'm in the hands of the committee.

Mr John C. Cleary (Cornwall): A 10-minute windup at the end?

The Vice-Chair: We have 90 minutes. We can use it as we prefer. If you wish to respond to the minister, as you may have planned, that's fine, but we just have a limited amount of time, and if you want to use the time for questions, that's all I'm suggesting.

Mr Paul Klopp (Huron): That's all right with our caucus, 20 minutes each, if that's what you wish, and then a 10-minute wrapup. It seems like a good idea and then we'll go in rotation. Sounds fine with us.

The Vice-Chair: I now recognize the Liberal caucus.

Mrs Fawcett: I welcome the chance to put forward some remarks. I was interested in the minister's opening remarks, but I am a bit bewildered in that when you listen and when you read what all he says the Ministry of Agriculture has been doing and then you take a look at what's in the estimates book, it just doesn't seem to jibe, it doesn't seem to match, because in the estimates book there's that one column that seems to jump out at you everywhere, on every page almost, and that's the changes from the 1993-94 estimates to what we're projecting into 1994-95. It just seems that column after column there are brackets, and brackets to me mean cuts. I just get awfully worried about how the minister is going to walk the talk here. He says quite a bit there, but I just don't know.

I believe totally that agriculture is Ontario's second-largest business after the auto industry. It is a very important business. Really, I think we must recognize the significant contribution that agriculture plays in Ontario's economy, and if we don't, then we are missing the opportunity for many, many jobs.

As the minister pointed out, more than 220,000 of

Ontario's jobs depend on the \$6 billion worth of farm-gate production and the \$20 billion in value added processing. Ontario is still Canada's largest agricultural province and I noticed in the minister's remarks that he said that Ontario has moved into the lead among Canada's agri-food-exporting provinces. Well, I guess so. It should. We are the largest agricultural province and we should be up there leading and in the forefront. Sometimes I really question that; I wonder if we are doing nearly as much as we should be.

I dwell on these facts because any plan for Ontario's future must ensure that agriculture takes its well-earned and deserved fair place in a real economic recovery, and I think that unfortunately Ontario's family farms and rural communities have been all but ignored by the NDP government. The minister, I know, would differ with me, but I really fail to see the support that his government has given him.

While the public has been calling on the government to place a priority on economic initiatives and protect and increase jobs, the \$26-billion agricultural industry has been targeted for debilitating program cuts while overall government spending has increased by more than 15% over the last four years. Spending on agriculture has been cut by 14%, and its share of the provincial budget continues to shrink.

Once again in this year's estimates, the same as last year, we witnessed the NDP's commitment to agriculture dwindling. In the Tories' last budget, we recall, and I keep reminding the minister and the Tories as well, that at that time the Ontario Federation of Agriculture called for the resignation of the minister, Dennis Timbrell, and the Treasurer. I just want to say that we in our party really have made a commitment to agriculture and we mean it.

In the spring of 1992, Minister, you announced the agriculture investment strategy, and you did make a brief reference to it in your speech. As I recall, you pledged \$120 million to the five-part program over five years. At the time I remember you saying, "Unlike the ad hoc government funding of the past"—and I really assume he meant the Tories—"these programs will be stable, long-term and based on cooperative partnerships among Ontario government, farm groups and the financial community."

When introducing the FarmPlus component in January of this year, you said that it was "the kind of catalyst Ontario's farm and rural communities need to enhance local job and business opportunities." Given the importance you have placed on the agriculture investment strategy, I wonder if you could explain how this document from your farm assistance program branch indicates that by the end of the 1994-95 fiscal year you'll have spent less than \$6 million. Out of a \$120-million program, that is less than 5% that will be actually spent.

I don't really want to hear how much money this \$5.5 million of the \$120-million program has leveraged, but I do want to know, and the agricultural community wants to know, when do you intend to spend the promised \$120 million? What's happened to your commitment to the agriculture investment strategy? I get worried when I see,

in the estimates book on page 99, that once again there's a bracket around a fair amount.

How much time of my 10 minutes have I taken? Have I taken it all?

The Vice-Chair: No. Were you just going to speak for 10 minutes?

Mrs Fawcett: Yes, because I don't want to cut my partner off.

The Vice-Chair: You started at 4:10, so you have about two and a half minutes left.

Mr Noble Villeneuve (S-D-G & East Grenville): Is this a tag team?

Mrs Fawcett: Yes. Oh, it's a good tag team, sir. Look out.

Further on the subject of your ministry's commitment to agriculture programs, I was astounded to hear that the minister refused to recognize his commitment to fund GRIP at 85%, a commitment he did give at one point. Farmers are not only hit once by your failure to live up to your 85% commitment, but are further hurt because for every dollar the province commits the federal government contributes money. So Ontario's lower contribution also means lower matching federal assistance.

This lack of support for GRIP means that Ontario farmers don't receive their fair share. In Canada's largest agricultural province, this should be unheard of, and yet I see no evidence in the estimates that the minister is about to correct these inequities. Perhaps the minister will be able to expand on this in his reply.

I better turn over to my partner so that he can get some—I do have a lot more, Mr Minister, to put forward, but maybe we'll have to have a private meeting.

1620

Mr Cleary: I'm really pleased to be here today with my colleague because we have a number of issues that we would like to touch on, and some of our own commitments to support the safety net stabilization, reform the crop insurance, protect the farm tax rebate, enhance marketing of quality Ontario products, support land and water stewardship programs, ensure access to newer and safer crop protection technology, ensure access to technology and research tools, establish a rural investment fund, support the budding ethanol fuel industry and eliminate unnecessary regulations.

What I would like to say here is that we are very concerned about the third party's commitment to agriculture, because the Tories have \$6 billion worth of program cuts. For me, one of the most telling things in this document is what's not in it. I almost feel that they've ignored the second-largest employer in this province.

The other thing that I would like to mention—the minister touched on it—is rural development. Last year he announced it was going to be the Ontario Ministry of Agriculture, Food and Rural Affairs. I would like to know exactly how the minister has reprioritized, reorganized and otherwise shuffled the ministry's budget to include these additional responsibilities. I guess what I say is, the budget has not increased; in fact it has decreased. What new initiative from the ministry falls

under Rural Affairs? I know he touched on it briefly in his comments. Exactly what do farmers have now that they didn't have before?

The other thing that I would like to just touch on is the stable funding, which seems to be working well in most instances. Through this legislation every farmer in the province is required to submit \$150 to the ministry. I would like to know from the minister, in total, how many farmers have submitted a \$150 cheque to the ministry; how many farmers have requested a full refund of their cheque; and is the minister aware of how much money each of the GFOs has now received in Bill 42?

The second part of that question that concerns me is that on October 12, 1994, the National Farmers Union filed a constitutional challenge to the bill. It is reported that a number of farmers have already contributed to a trust fund to cover expenses for legal proceedings against the ministry. I would like to know, can the minister indicate how much the ministry or the government of Ontario has spent on this court challenge, and if there is no dollar figure available—

Hon Mr Buchanan: Zero.

Mr Cleary: Okay, if there's no dollar figure, I've got another one for you. Can the minister indicate how many hours he or the ministry and assembly lawyers have spent on this issue? Can the minister estimate how much such legal proceedings may cost? Surely you have faced similar challenges to other decisions you have made. Finally, can the minister indicate under what portion of the ministry or the Ontario government budget this cost will appear?

The other thing that I would like to touch on here is, as you know, things are changing in this province and we have a new way of handling hay for cattle feed in most instances. Some call them mushroomrooms, some call them many things, but the way they store hay outside—many farmers prefer to leave their hay in the open air. However, in the township of Clarence a municipal government challenged this by putting in place a bylaw prohibiting the storage of hay within 100 metres of the neighbour's property or 50 metres from a roadway. This bylaw was passed in August 1994. More recently, there was an attempt by the deputy reeve of that township to abolish the bylaw. However, the abolition resolution was defeated. I have heard many farmers say that this is an example of where the government must reinforce and amend the Farm Practices Protection Act.

The other thing that I would like to touch on briefly was the groundwater concerns in many areas of the province. I know that our caucus is very concerned about that and is really going to study that further and work with the municipalities to develop better controls and clearer policy. I know the minister is familiar with some of these instances, because it has happened in many areas of the province, and I would like the minister to comment on that.

Mr Cleary: The other thing that's concerned our party and some in the agricultural community was the supposedly \$18,000 that was spent on the one-day meat inspection conference for 120 ministry staff persons. Apparently, each of the 120 staffers was able to bring a

spouse, and it's reported that the travel expenses would be paid and possibly time and a half because the session was held on a Saturday. From what I've read, the total cost was probably \$30,000. Apparently, that happened over a month ago in Hamilton. I was just wondering if the minister would have the final figures on that cost.

I've got so many things here I don't know which to prioritize.

The other thing is GRIP and NISA. I'm sure the minister is well aware that many commodity groups, including the Ontario corn producers and the Ontario wheat producers, have called on him to honour an original national agreement on market revenue insurance programs. In 1991, the agreement gave Ontario the right to extend coverage at 85%. However, Ontario farm groups accepted the province's offer of 80% coverage, providing 85% coverage would be provided later. Through the past four years, however, the minister and the Premier have steadfastly refused to honour the original agreement.

Two weeks ago in the Legislature, our leader encouraged the minister to make this move and cited commodity group calculations that 85% can be provided at less cost than 80% coverage. I know there was a question in the House to the minister at that time, and the minister told the leader that her suggestion was not possible and he didn't know where she was securing the figures. These figures happened to come from these commodity groups.

On September 19, 1994, the Ontario corn producers provided him with a letter which fully explained the declining rates of moving average coverage because the minister cannot make his own calculations. Based on these figures, the ministry could actually save substantial amounts of money.

1630

On September 23, 1994, the Ontario wheat producers also sent a letter to the minister with very similar calculations. Is the minister willing to say that the commodity groups' calculations that increasing the market revenue level from 80% to 85%, using moving price average, is incorrect? Will the minister provide the cost of GRIP and NISA for the past year and the coming year, using both the 80% and 85% coverage levels and taking into consideration the moving price average component?

The Vice-Chair: Mr Cleary, thank you very much.

Mr Cleary: That's it?

The Vice-Chair: It's expired for the Liberal caucus. I'm now turning to the Conservative caucus.

Mr Villeneuve: Minister, staff, it's always interesting to do the estimates on Agriculture and Food, particularly in a situation where the budgets of Agriculture, Food and Rural Affairs have been cut to the point where, if every other ministry within the government of Ontario had been reduced by about the same amount, we really wouldn't have a deficit.

Strange as it may seem, my Liberal colleagues talk about the farm tax rebate, and they went way back to almost 10 years ago, when the Progressive Conservative Party was the government of Ontario, and of course that was the party that initiated the farm tax rebate. I recall

well the Treasurer of the day back in the Liberal era did something that apparently the Liberals have decided was not good. They reduced the farm tax rebate quite extensively. At that point in time, farmers of Ontario did not forget that, and indeed many of the rural ridings that were held by the Liberals at the time were lost. I believe the one main area of concern was the farm tax rebate and the way the Treasurer at the time, Mr Robert Nixon, reduced very extensively the farm tax rebate. It was corrected in a subsequent budget, however. It came back to what the Conservatives had initially done with it. At that point the damage had been done, however.

However, in vote 101, the ministry administration program is the only program activity which seems to be going up in costs. It's gone up by almost 3% compared to cuts of almost 12% to agricultural services and rural affairs, 3.8% to food industry development and a further cut of 3.1% to education, research and laboratory services; 11% has been cut to policy and farm finance.

At the same time, salaries, wages and benefits to operate the Ministry of Agriculture, Food and Rural Affairs have risen to 21% of the entire expenditures, as compared to approximately 18% of the total budget, which was the cost of operating the ministry some four years ago. Transfer payments have dropped to 58%, based on page 25 of the estimates briefing book, from approximately 62% of the entire budget just two years ago and down considerably from the 67%, which was transfer payments to farmers some 11 years ago.

This certainly leaves the ministry open to charges from the agricultural and farming community that it is beginning to get top-heavy in the operating of head office and staff within the Ministry of Agriculture, Food and Rural Affairs. Ministry administration programs have actually been shrinking after rising steadily from the 1991-92 fiscal year.

The minister has failed to stop the disproportionate cuts to the ministry's budget. Agriculture, Food and Rural Affairs continues to be harder hit than all other ministries within the government of Ontario, even though the government claims to have expanded the mandate of the ministry by including rural affairs.

We're still examining the effects of the GATT agreement. Has the ministry identified any provincial legislation which will have to be amended to conform with GATT? I think that's very important because, as was outlined in the minister's presentation earlier today, our exports are now over \$3 billion and rising. Unlike my Liberal colleagues, I maintain that agriculture is the number one industry within the province of Ontario, bar none, when we consider the entire ripple effect of agriculture, food production, food distribution, processing etc.

There have been stories reported in the press that in some cases migrant workers have been seriously abused, and this has come out recently: the fact that the charges have been made by union officials who have refused to give examples, name names. This has justifiably angered the farming community, particularly those who use migrant workers.

If these accusations are true, why have there been no charges laid, and if indeed they're false, why has the

government not condemned those people who have brought that to the fore, basically the unions in question? Bill 91, I believe, is the vehicle that is being used by these unions. They're at the door, preparing to look at agriculture, the accommodation of migrant workers and the whole gamut that follows.

The minister and the ministry in recent months have become more familiar with deer farming, elk farming. Diversification is something that we must look at from many aspects, including import replacements. Where do we stand on a new agricultural diversification act which would give the ministry the jurisdiction to go out and seriously promote diversification of agriculture in Ontario? We're behind other provinces right now, certainly western Canada and the province of Quebec, in diversification, and they have much more limiting climates than we do here in Ontario.

Has the government considered bringing aquaculture under the jurisdiction of Agriculture, Food and Rural Affairs? I understand, in the minister's presentation, that with the extension of the name to include Rural Affairs, it hopes to become the lead ministry. However, this still remains to be seen because the ministries of Environment and Energy, Municipal Affairs, Natural Resources etc appear to be meddling in the affairs that I feel should be under the entire jurisdiction of Agriculture, Food and Rural Affairs.

Ontario's wine and grape industry has improved tremendously but continues to face very high taxes. Given the expanded mandate of the ministry, what is Ag, Food and Rural Affairs doing to lessen the tax problem to the grape and wine industry?

In terms of new markets and new product development, has the ministry undertaken any studies with the apple commission and/or the wine industry to look at the sale of alcoholic cider and its production? British Columbia, which is another major apple-producing province, has a cider industry, but for some strange reason we don't. Is the problem one of no identifiable demand or is it regulation, red tape and taxes? Has anyone studied this? I think we have a very viable potential market.

Ministry legislation: What is the status and the urgency of the following bills: Bill 63, AgriCorp; Bill 64, crop insurance; Bill 65, farm stabilization; Bill 78, livestock compensation? Amendments to the Ontario Food Terminal Act recommended after the board was reviewed in the committee: Are these coming forth? Has any work been done to draft amendments strengthening the Farm Practices Protection Act; in other words, right to farm?

Issues related to the Rural Affairs part of the portfolio: We need to know more about this. Has it just been an extension of the name? What has really happened? Has the ministry been transferred any specific functions from other ministries or any leads to incorporating items of what has been Natural Resources, Environment and Energy or Municipal Affairs into having Ag, Food and Rural Affairs be the lead ministry?

1640

If Ag, Food and Rural Affairs is now supposed to comment on government actions which affect rural

Ontario, what comments has your ministry made, where have you been commenting, and can we get copies of your comments on such very important issues as the entire wetlands policy, the loss of the managed forest tax rebate, firearms registration and Bill 162? Is this a dead issue or is it going to reappear?

The minister was right to criticize the federal Liberal refusal to act on ethanol. The provincial Liberals, when in power in Ontario, acted in very much the same way to prevent the use of ethanol. Has there been any recent progress with the federal government or other developments in promoting the use of ethanol?

I just happen to have correspondence here dated April 11, 1990, from the Minister of Energy, and it's in reply to a query that I had passed on to the ministry:

"We have received your recent letter which advocates the use of fuel ethanol to reduce carbon dioxide emissions from transportation.

"We agree that the use of any biomass-derived fuel, including ethanol, can result in a net reduction of carbon dioxide emissions." And this is the caveat: "However, there are concerns that fuel ethanol is not a cost-effective way to do this compared with energy efficiency improvements."

This letter goes on:

"In the United States, a proposal to permit the use of MMT in unleaded gas is now under review. The proponents argue that the new evidence shows that using MMT does not harm the performance of exhaust catalysts." The ministry doesn't, however, tell us that MMT is a cancer-causing agent.

The minister continues:

"In summary, we share your interest in ethanol as a means to reduce carbon dioxide emissions. We hope that current research will eventually make it possible to produce less costly fuel ethanol from wood or waste cellulose. At present, it does not appear that ethanol from grain can be produced at a sufficiently low cost to become an important component in Ontario's gasoline without significantly larger subsidies. We continue to welcome ethanol-related proposals to our EnerSearch program if it can be shown that an Ontario production plant could result from a successful project."

This letter is signed by someone called "Lyn McLeod, Minister," and it's somewhat interesting to see the agricultural paper now out from the Liberal Party suggesting how great ethanol would be. This is quite a turnaround in what Lyn McLeod, Minister of Energy under a Liberal government, was saying not long ago.

Review of regulations: During the brief to cabinet last February, the president of the Ontario Federation of Agriculture, Roger George, made reference to regulations which make no sense but which resulted in lost time and money for the farmer, not to mention the tax dollars lost in administering much of this kind of futz, known in rural Ontario as nonsense.

At the time, the Premier seemed to give a fairly strong commitment to reviewing and scrapping frivolous and unnecessary regulations, particularly from the Ministry of the Environment. I recall well that part of the problem

was onions which had gone bad and could not be returned to the land where they'd been grown. I think this has been addressed and I appreciate that, but these are some of the nonsense things that cost money and that create havoc in rural Ontario. Has the Ministry of Agriculture, Food and Rural Affairs established a working group with agricultural organizations to identify problem areas and red tape? That's a major problem, red tape.

The \$50 registration fee: Farmers who happen to recognize their farm as something other than their own name have to be registered, not incorporated. Anything other than the name that this individual is known by has to be registered, and a \$50 fee is being charged. We don't think that's quite fair. We fully realize that agriculture is very much a business, the most important business in the province of Ontario; however, this is needless red tape.

What is the reason for Guelph relocation expenditures to be up to almost \$1 million? Could we have some confirmation as to what the cost is of relocating 801 Bay, or the folks who are going from 801 Bay to Guelph? That's on page 37.

On page 38, what is the definition difference between census farms, 68,000, and farm operators, 100,900? How many farms are registered under Bill 42? I believe the minister gave us that information in his opening statement.

Why is there an anticipated increase in the number of days to process a freedom of information request, from 24 to 25 days?

Successor rights, particularly as it applies to railways, and I know the Chairman will be interested in this one because it affects his community very directly: A number of commodity groups, most notably the Ontario Corn Producers' Association and the Ontario Soybean Growers Marketing Board, have expressed serious concerns over branch-line abandonment and the provision for successor rights granted under Bill 40. Thousands of jobs are at stake in various communities, not only jobs but the price of commodities that are grown out in rural Ontario.

Given the far-reaching potential negative effects if the lines are abandoned and torn out, what role is the Ministry of Agriculture, Food and Rural Affairs—and that touches them all, the agriculture, the food and the rural affairs section—going to play and what positions has it represented to the Ministry of Labour, as well as to the Ministry of Economic Development and Trade? These are very, very important aspects in rural Ontario.

Has the ministry made any representations to the Ministry of Labour concerning minimum wage rates, including the use of already existing powers which could be used to set different minimum wage rates for the trade-sensitive horticultural and tender-fruit sector?

Agricultural and rural services: I'm getting a number of very serious complaints that the extension people, particularly as it involves 4-H, leave a great deal to be desired. I understand that basically 4-H is being operated on a voluntary basis with volunteers out in rural Ontario and with an ever-diminishing involvement with the ministry. Possibly we could touch on that, because I think

it's most important that our rural youth, and these are not only farm kids, in the 4-H movement be promoted and supported.

The demise of numerous programs, including the land stewardship and the red meat assistance: The agriculture and rural services program has seen major cuts in recent years. If not for Jobs Ontario spending, this area could be described as having been seriously done away with or gutted. What are the government's future priorities in this very important area?

Has the ministry monitored the degree to which farmers have been spending money on conservation equipment or measures since the stewardship program was terminated? Is tillage equipment to promote the reduction of erosion etc still being purchased at the same rate as it was while the program of stewardship was on? Has there been any tracking to determine what sort of need there may be to continue a land stewardship program?

Last year, Ontario became Canada's largest food exporting province, as was touched on by my colleagues earlier. How have exports held up this year? Are we still basically on the same increase of exports or has it flattened out? Is it still the case that while exports to the US are strong, we've been increasing our food trade deficit with the rest of the world? Have we been able to make progress in exploring Mexican markets under NAFTA, for example? Are producers in the food industry making progress towards closer cooperation with one another along with the consumers? Because we are all consumers; producers are also consumers.

What is the current status of discussions with regard to the distribution of revenue from the stockyard lands liquidation? Has the ministry evaluated the effects of its abattoir assistance grants? We have many small abattoirs out in rural Ontario and we understand that in many instances the grants that appeared to be available to them were not, for some bureaucratic reason.

1650

The Vice-Chair: Your time is up. The clerk informs me that the minister now has the right to respond to the statements that have been made by the two opposition caucuses, and he has up to 30 minutes to respond. We have about 40 minutes left today, Minister, in our proceedings. If you could leave some extra time for the opposition caucuses, I'm sure they'd appreciate it so they can ask you questions.

Hon Mr Buchanan: I can call on a couple of experts here as well, I'm assuming. I'll try and be fairly brief so that you get a chance, as opposition parties, to raise a few issues. I'll touch on what I think are the highlights of some of the things that have been mentioned.

In terms of our reductions, yes, we have been through expenditure controls and various other things in terms of our budget being reduced, but if you look at the last three years and what's been spent on Agriculture, if you look at the average, it's more than any three years that you can look at at any other time. If you take the last three years, average out what's been going to Agriculture and look at any previous three-year period, you'll find that

there's been more going to Agriculture and Food in terms of our expenditures than has been the case in the past.

The other point I would raise, if we look at the—

Mrs Fawcett: What kind of math is that?

Hon Mr Buchanan: That's math to my advantage, not to yours. The other thing I would draw your attention to is that if you look at 1987-88, there was a \$57-million drop in the budget of the ministry right in the heyday of 1987 to 1988. I hasten to explain that, because in the past there have been a number of ad hoc programs that were put in place, sort of interest assistance, that were in for one or two years and then they ran out and other ad hoc programs were put in place. That's the way that Agriculture has operated as a ministry.

We have tried, in cooperation with the federal government and other provinces, to put safety nets in place that are long-term programs. The farmers will know what programs are there and they can get on with farming and not have to lobby governments for programs. That's why we look at the ag investment strategy, the ag commodity corporation, FarmPlus. These are intended to be programs that will be there.

You mentioned the fact that there's perhaps not as much money going into them as you thought or was announced. But what's important to realize here is that rather than us writing cheques to farmers, we've been leveraging, which you mentioned, and putting some money into the contingency fund, in order to pay any loans that we had to cover in terms of the guarantee, which we think is a better use of taxpayers' money than simply writing the cheques directly to farmers. We have leveraged significant millions of dollars and we've actually brought interest rates down.

Mrs Fawcett: How much?

Hon Mr Buchanan: I'll have to get Bob Seguin, the ADM, to comment on the \$120 million and where we're at in terms of expenditures, in terms of actual dollars. But the key is that I've had farmers come to me—the ag commodity corporation is up to about \$85 million worth of business over the last three years—and say, “We didn't use the ag commodity corporation to borrow, but I want you to know that the banks are offering me the same deal as the ag commodity corporation,” so please don't think about it not being a success because it hasn't got—we would have liked to have seen it up to about \$50 million a year, and I think we're at \$38 million or more. It's gone up almost double since year one.

It has been a success. Even though it's not being used by farmers, it's a competitive vehicle that's in the marketplace, so the banks are offering the farmers the same rates, which helps the farmers in the long run; it doesn't require money from government.

On the GRIP, the 85%, just very quickly, we all understand the numbers of that. I have been driving for a whole-farm program of safety nets which would have some enhanced NISA, more money going into a NISA program, and yes, there's some money in that safety net pot. I very much would like to see a whole-farm program in place that would include, obviously, the grains and oilseeds and people who are now on GRIP. If we do not

get an agreement on a whole-farm program in December, when the ministers are meeting here in Toronto, then obviously that's something I will take a serious look at. But whatever money we have in there I'd like to see go into a whole-farm program. If we take all the money that might be in the pot and give it out, then I won't have anything to necessarily fund the safety net program we're talking about.

I'll perhaps call on Mr Seguin to talk about the \$120 million, but I want to move on quickly.

In terms of the stable funding, about 53,000 farmers have registered with us. We believe that's about 90% of what's out there. That's an estimate, because if they don't register, how do you know what to calculate it on? From the information we have from the organizations, about 25% of the farmers have asked for refunds and received them, about 300 farmers have been granted exemptions through the tribunal process and 96% of the decisions have been approved by the accreditation tribunal for exemptions, which are mainly Amish and Old Order Mennonites in most cases.

There have been a few who were rejected, but basically they have been approved. So there's been about a 75% success rate, if you want to call it that, who have sent their money in and left their money in with the farm organizations, and obviously the challenge is now up to the farm organizations to prove that they merit that confidence of the \$150. The proof is up to the local organizations and the provincial to show that.

You mentioned the legal challenge. Nothing has happened yet. Nothing has been filed, other than what we see in the newspapers, that a law firm has been retained. I don't think anything official has been done yet and we obviously would need to wait until such time as something formally is done before we worry about what it's going to cost, and we would deal with that at the time. I don't have any idea if it's actually going to go forward. It's been announced. We'll have to wait and see.

In terms of the storage of hay etc, the bylaws, the land use people we have in the field work with local municipalities to try to get something reasonable done.

The meat inspection meeting you referred to, I think the deputy is anxious to respond to that part of your question.

Ms Rita Burak: Mr Cleary, you asked us to get you the final cost of that, really, one evening and a Saturday conference that the meat inspectors attended. You may recall that we announced a couple of years ago that we wanted to upgrade the technical abilities of our meat inspectors to meet the increasingly high standards that we're placing on provincially licensed plants.

Since the nature of the work of the inspectors is that they've got to be onsite whenever there's a kill, there isn't a lot of flexibility in terms of when you get them together. So yes, they were brought together for a Friday evening and a Saturday. I can get you the final cost of that one-day session, but I can tell you it was substantially lower than the press report which I recall seeing in the Sun, substantially lower than what was reported to have been planned. I can assure you that before they

booked that hotel in Hamilton, the branch went to great lengths to make sure they got the absolutely lowest-cost accommodation and meals and to bring them into an area where the bulk of the inspectors reside to make sure that the travel costs were very low.

Staff were instructed to double up and triple up in cars and we did everything we could to keep it to a low cost, but I feel very strongly that for a business as sensitive to maintaining health standards in our food chain, it is important to ensure they get a consistent level of training and consistent messages about new regulations. But we'll get you that final data.

1700

Hon Mr Buchanan: Mr Seguin, ADM, policy, will talk about the \$120 million and where we're at in terms of those numbers.

Mr Bob Seguin: As requested, the \$120-million program was cut during the expenditure control plan that was announced by the government, and in discussions after the decision, we met with the farm groups and indicated where the cuts would be made.

The program will now spend a little less than \$50 million over the life of the program, and we deferred the new farm apprentice program indefinitely. That was the one substantive cut taken on the five-part program. Other parts of the program were shaved a bit to get the savings required by the government. But this was discussed, at the time of the expenditure control plan announcement, with the farm community.

Hon Mr Buchanan: Thank you, Bob. Perhaps we could we move on to responding to Mr Villeneuve.

In terms of the administration and being top-heavy in terms of increases, we've got some numbers that I think we should share with you.

Ms Burak: I think, Mr Villeneuve, your first question related to the administration vote, vote 101.

The increases there relate to the Guelph relocation project. Treasury board has a fund of money which it will provide to ministries that are relocating in order to do the necessary planning, the necessary training of staff, planning for who is going to move to Guelph, who is not and therefore has to be redeployed. We received an increase of \$926,000 for that. That was the largest increase.

That vote received a number of decreases, including over half a million for social contract payroll savings, about a quarter of a million dollars in expenditure carryover, or planned expenditure reductions, from the previous year. In addition, we reallocated money within the ministry to cover off some systems work that we do in the systems branch to support the line branches in carrying out program delivery. I don't recall at my fingertips which programs they were, but they would be in aid of program delivery. So the numbers are not that disproportionate.

I think your other question was, following on, has this vote been cut less than some of the other divisions? Maybe I can give you these figures: Our administration vote is about 17% of the ministry's total operating. In terms of how we hit administration in the expenditure

control plan versus how we hit the line programs, we hit administration 24%. So we tried to give an equal or greater hit to administration and the streamlining and central operations in Guelph and Toronto than to the field.

Mr Villeneuve: Can I ask a supplementary on that? Does that cost include the likes of whenever you've thought—the Palladium in Ottawa, for example: A lot of money was spent there on legal and staff being there and other appeals of decisions, ie, land division. Is that all part of that admin or is that separate?

Ms Burak: No. The land use staff, whose budget external resources, external lawyers or consultants might have been used for, and that was about two years ago, are currently in the rural development division. Previously they were in the ag division.

Mr Villeneuve: So that's additional cost to admin that's not included?

Ms Burak: You're using an interesting definition of admin. The program of land use planning required that they take certain actions in that particular case, and that would be a cost of running that program.

Hon Mr Buchanan: There were a few other questions raised by Mr Villeneuve. You mentioned the trade agreements. The one that comes quickly to mind is our Oleomargarine Act, which has been around for many years. Certainly the vegetable oil producers and others have been calling for its repeal.

We are now looking at that in cooperation with the federal government and other provincial governments. It's seen also as an interprovincial trade barrier. Because of the agreements we've signed with the other provinces, it's something we need to look at, but we are doing it constructively with milk producers, soybean growers and others to look at a planned way of dealing with this somewhere in the future. But we're still in the planning stage. We know we're going to have to do something at some point because it's not GATT-consistent in terms that it is truly a trade barrier. That's one of the ones that quickly comes to mind, but I'm not aware of any other immediate changes we'll need to make.

Some of our regs we'll need to look at perhaps in terms of some of the things that we have in place, but there are no major legislation initiatives planned.

You mentioned livestock diversification, something that I personally and the ministry have been very supportive of. We have asked the farm groups that are associated with the so-called livestock diversification, which takes us into game farming and other operations, to work with the other groups that are out in the communities, whether it's the hunters and anglers or Ontario naturalists, certainly the environmental groups, that they work together to work through some of their differences so that bringing forward such a bill, which we have been working on, could flow through in relative ease and people would be comfortable with it, as opposed to having confrontation.

Some of the farm groups, including the OFA and other groups, actually are working with some of the groups out there to try and come to some compromises on this issue. It is associated with Bill 162. We've also asked the farm

leaders to work with other people, whether it's the anglers and hunters or other groups, about 162, so they could work out their differences on that one as well.

We believe it's better to get them cooperating and working together than to bring in a bill that would be seen as controversial, which quite frankly I would admit that 162 is with certain groups. We would like to move forward, but we want the groups to cooperate and work out their differences so we can put something together that will have the support of a broad range of people.

In terms of hard cider, I know that Mrs Fawcett from Northumberland was anxious to tell us about the company that's down near her residence, which actually is in the production now of hard cider.

Mrs Fawcett: I think the name in there is Scrumpy.

Hon Mr Buchanan: Scrumpy is the name of it, and obviously depending on how the market grows, there are some opportunities for the apple industry which are badly needed.

In terms of rural affairs and our role up to this point, many of the accomplishments we've had are behind-the-scenes things which we aren't out beating our chest about. But as Municipal Affairs is looking at implementing the changes to the Planning Act, they have come to us and worked with our ministry and our client groups in terms of setting up committees for the implementation to try and explain how some of these changes would affect farmers, whether it's the wetlands or other issues. So they've come to us in order to set up these committees.

I would, I think, be correct in saying that two or three years ago that would not necessarily have been the case. It was an MMA bill, a Municipal Affairs bill, with the House, and they would have set up their own committee without necessarily involving our ministry.

1710

We have been brought into the process at the MNR level as well in terms of working with MNR. The deputy at MNR and Deputy Burak are now meeting regularly, meeting with some of the stakeholders of MNR and trying to do things together as opposed to them doing their thing and us just focusing on farmers.

There are some things happening. I think this is a process that needs to evolve over time so that the concept of rural affairs will grow. I think it will grow over the next number of years. There may at some point be extra money attached to it, but I quite frankly believe strongly that rural Ontario doesn't need a whole lot more money; it needs the support of government as a facilitator to assist them in terms of developing their own ideas. In some cases it's a matter of getting out of the way and letting them develop.

Mr Villeneuve: Exactly.

Hon Mr Buchanan: We work with other ministries to assist us in doing that. That's what I certainly see as the mandate. It's our job, as I see it, and the staff working with other ministries. One of the concrete things we've done is have a rural development secretariat who are out there in our field offices actively looking for community economic development initiatives. We've been proactive in trying to encourage things.

The JOCA funding: We are actually out there encouraging people to look at it. Well over 60% of the approvals of JOCA funding have been in rural Ontario. We've got a good percentage of the money that's going out as well. We are being proactive, and those people who are in the field offices with that title—which is new for them and it's a change for some of them—we tried to basically keep the same staff with some retraining. I think this mandate will grow over time and we're going to see some of the benefits down the road.

On the Ontario Stock Yards Board funds, we're still having debates with treasury and treasury board about the split. We have made decisions about how the amount of money that goes to the industry would be divided up between beef and dairy, sheep and hogs and others. That has more or less been agreed by the industry. I guess the ball is in our court now in terms of going to treasury and seeing what kind of a deal—I do want to be clear on the record, though, that certainly the government expects that there will be some share which will go to consolidated revenue once the bills are paid. But I hope that we can get that wrapped up.

Mrs Fawcett: Why is that necessary?

Hon Mr Buchanan: The question was, why was that necessary? We have continued to try to work with the industry. I mean, there's an argument about who owns the stock yards board and all that kind of stuff. We are trying to work with them and agree on what kind of a consideration and get some money out to them. I don't want to get into all the legal wrangling about who owns the land and that. We are basically not selling the land, so we—

Mrs Fawcett: Tell the Treasurer it would be a good way for him to be kind to agriculture, to give it to agriculture.

Hon Mr Buchanan: I wish the Treasurer had a whole lot more money so he could give us a lot more, but I want you to know that I don't happen to believe that a whole lot more money necessarily thrown into agriculture is the answer. I think we need to focus on marketing initiatives, on research, which we've tried to maintain. If you look at our estimates and look at what we've tried to do in terms of research, we've tried to maintain those projects, we've maintained what we can in terms of marketing, and to provide some field services and some support. I'm not a big fan, even though obviously when your budget is reduced through expenditure control or other matters it's a concern.

But I do think we have to be more creative in the kinds of solutions we look for because farmers' getting a cheque one year and not getting it the next is pretty dramatic for farming and farmers. We have to look at creative ways of doing things.

I guess I better shut up, Mr Chair; I promised to be brief.

The Vice-Chair: All right. We have about 25 minutes remaining. I'd like to now go into rotation for questions and we'll start with the Liberal caucus.

Mrs Fawcett: I'd just like to further ask Mr Seguin, because I didn't realize I could have questioned him

when he was forward, is there now \$114 million left in that fund? You didn't give me any numbers. You kind of floated around and I really didn't understand totally what exactly the state of that whole investment strategy fund, where it's at. There was \$120 million promised and, to me, only \$6 million has been spent, so there should be still \$114 million left.

Mr Seguin: As I indicated in the earlier response, as we noted in the expenditure control plan and announced at that time, we were cutting the program back. We deferred indefinitely the new farmer apprentice program and, with a combination of other cuts, we've now planned to spend approximately \$48 million.

Mrs Fawcett: That's \$48 million out of the original \$114 million?

Mr Seguin: Over the term of the program.

Mrs Fawcett: Over five years?

Mr Seguin: Over the five years. That's our plan.

Mrs Fawcett: So from \$120 million it's down to only \$48 million now?

Mr Seguin: Yes.

Mrs Fawcett: Where did that money go?

Mr Seguin: As part of the expenditure control plan commitments.

Mrs Fawcett: Holy smokes.

Hon Mr Buchanan: If I could just jump in here as well, I think it's important. In the original plan, we were looking at a pot that would be set aside that would be a contingency, which we believed was the best way to do it. It would build up a fund, which was like an insurance envelope. When we got down to the short strokes of expenditure control, the Treasurer basically gave us a guarantee, a promise—well, I shouldn't say a promise—that if there were any losses, they would cover them on a year-to-year basis. As opposed to putting money actually in a pot, they would cover as needed, so that was one of the reasons we were willing. We gave up some of our pot of money that was going to be set aside on the promise from the treasury that if there were problems with loans, we would be covered as needed. So we didn't get to set that money aside.

Mrs Fawcett: All right.

Hon Mr Buchanan: So that's where the money went. It didn't disappear necessarily out of the program. There just isn't a bank account sitting there to be drawn on as needed.

Mr Seguin: The amount of money I had described is the amount of money we plan to spend in the remaining contingency funds and in the operations of the programs of the remaining four components.

Mrs Fawcett: Okay.

Mr Cleary: I'd like to talk a little bit about bovine viral diarrhoea, BVD. There seems to be a program in place in the province of Quebec where there is a \$2-million compensation fund for losses that exceed \$5,000 or 15% of the herd.

It's my understanding that earlier this year Oxford county and the OFA adopted a resolution to develop a

vaccine and compensation package to take to you, Minister. I would like to know, is it the minister's intention to allot any part of the ministry's budget to assist farmers who have suffered losses to BVD and, if so, how much?

Hon Mr Buchanan: I'm going to ask Deputy Burak to respond, please.

Ms Burak: First, with regard to the province of Quebec, we understand that it does have a modest compensation program which is limited to veal producers, and we are aware of that.

After the resolution that you mentioned from the federation of agriculture, the federation and our ministry met with the livestock groups that might be affected. I believe the milk board, the cattlemen, the veal association and others were in attendance.

At the end of that meeting, and after having a review of the work that we've been trying to do all along as the disease became apparent, the federation and the commodity groups determined that a compensation program would not be appropriate. Rather, the better solution would be to expand the educational programs for producers and to do some special work with the veal producers, who felt most vulnerable.

As a part of that package, everybody in the room—the federation, the ministry, the commodity groups—came away with an agreement on what everyone would do, and our part in it was to provide some support for a video, to provide the technical expertise using our extension staff and specialists to develop the components of additional seminars that could be held.

I was in contact just a couple of weeks ago with the federation executive member who was charged with following through on this, Mr Morris, and it does appear that the plan that we all put in place is working its way through the system. That was the outcome of that resolution, to the best of my knowledge.

1720

Mr Cleary: Another question I have, could the minister or the deputy comment on the current budget of Alfred college, as well as the ministry's future plans?

Hon Mr Buchanan: Do you want a breakdown of their budget?

Mr Cleary: They questioned me on the future plans and what the ministry's plans are, and I don't know.

Hon Mr Buchanan: We can certainly dig out what their budget is, if you wish, and give it to you. I don't have it right here.

Mr Cleary: So there are no future plans, then, beyond what their budget is? They have been speaking about an educational package, and I thought that was through the Ministry of Agriculture, Food and Rural Affairs.

Hon Mr Buchanan: There could be; I'm not exactly sure where we're going here, but I know that they have done some work in terms of some exchange programs, particularly with francophone communities in Europe. Those kinds of exchange programs have been happening, and there have been actually some agreements signed between ourselves and French-speaking communities in

Europe. I'm not exactly sure how long that agreement is going to last in terms of exchange students, but we certainly don't have any plans to reduce it or change it in any way.

The college has been left to look at those kinds of options, as Kemptville has, quite honestly, in terms of attracting students from other countries in terms of dairy education etc in agreement with the federal government. So there are some opportunities for the colleges to look at opportunities for them to actually generate some money internally.

Mrs Fawcett: There was an article in the paper today on Jobs Ontario and the millions of dollars that had been wasted and so on. Is there any indication that the Ministry of Agriculture was part of that? You spoke about the Jobs Ontario part of the agricultural budget and how good it was, and I just hope, then, that the agricultural money was spent well and we didn't get—

Interjection.

Mrs Fawcett: No, it wasn't.

Hon Mr Buchanan: One of the things that I think we need to be clear on is that there are about four different parts to Jobs Ontario. There's Jobs Ontario Capital, which is the capital budgets that are spent from some of the ministries that have heavy capital expenditures. There's Jobs Ontario Homes, which is the housing, basically. There's Jobs Ontario Training, which is intended to get people from welfare or whose unemployment has run out a permanent job, and we've provided funds to help with the training, whatever that is deemed to be. In some cases, it's literacy and numeracy skills; in other cases, it's upgrading whatever skills they have.

Mrs Fawcett: Did you waste any of that money at all?

Hon Mr Buchanan: No, we didn't waste any money. But the Jobs Ontario Community Action is the one that we are most involved with, and we have been the lead in several hundred different projects out across rural Ontario, and we haven't wasted any money. One of the things that I like about that is it allows us to use money which comes from other sources and encourage rural economic development, so that we're getting money from the government pot spent in rural Ontario which doesn't come directly out of our budget.

One of the things that I continue to pursue is the opportunity to spend money from other ministries in rural Ontario, and we wouldn't waste it. We would not waste one nickel.

Mrs Fawcett: Maybe I could just put a question on the record.

The Vice-Chair: About one minute. Sure, Mrs Fawcett, if you wish.

Mrs Fawcett: In your speech, Minister, on page 3, you talk about crop insurance. You just said, "I believe we must retain our crop insurance and market revenue programs." In the estimates book I see a bracket of \$300,000 around "crop insurance re-engineering," and I just wonder, is that part of the budget being cut dramatically or are you increasing it? What does "retain our crop insurance program" mean?

The Vice-Chair: Briefly, Mr Minister.

Hon Mr Buchanan: Real quickly, we want to retain the program, and I believe that crop insurance as a standalone program is very important.

Mrs Fawcett: Yes.

Hon Mr Buchanan: There are some in other places, not in Ontario but federally and in some of the other provinces, where they'd like to put crop insurance into some other vehicle, and I'm defending it as a standalone. The \$300,000 saving in re-engineering is where we moved away from having a slew of agents selling insurance around the province and we re-engineered down to about 22, I believe, permanent people who deal with crop insurance, GRIP, NISA etc who are sort of experts on an ongoing basis. By doing that, we actually were able to save—this is out of administration costs, not out of the farmers' pockets in terms of payments. It's the administration we've actually reduced by \$300,000.

The Vice-Chair: Thank you, Minister. The time for the Liberal caucus has expired and I now turn to the Conservative caucus, Mr Villeneuve.

Mr Villeneuve: Thank you very much. It's too bad that the time is so limited.

I would like to know your ongoing annual cost on land preservation. You're appealing in many instances local decisions. I would like to know what your cost to those appeals is on an ongoing basis. Should it actually be coming out of your ministry? I don't believe it should.

Second, on Bill 163 and all the related chain reaction, including—and it's not in 163, but the removal of the tax exemption on managed woodlots, did you really give your blessing to that?

Hon Mr Buchanan: Every ministry and minister was faced with expenditure control plans that we're under. The Ministry of Natural Resources looked internally at what programs it had and this is one of the programs it deemed it could terminate. Obviously I've heard about it in rural Ontario, especially in my own riding. I know that the Minister and the Ministry of Natural Resources are taking a look at what they can do, now that it has sort of been terminated. They are taking a look at that issue.

Was I happy about it? Not particularly, but I wasn't particularly happy with some of the decisions that I had to make either, with the impact that they had. When you're in a period of restraint, you sometimes have to do things that you don't normally wish to do. So I wasn't particularly happy.

On the land use, we see that once Bill 163 is in place, our role will be more focused and more defined. We hope that we're going to get out of a lot of appeals and so on, that once the policy is clear we will not end up at OMB and will not need to spend money on the resources to go through that process.

In terms of what we actually spend, I don't see anyone nodding their head with that number in their head, but we certainly can get that. It would come out of the land use group's budget as well.

Mr Villeneuve: The developers spent several million dollars. Would it be close to what you've spent?

Ms Burak: I wonder if I could just ask staff. Have you got a breakdown of the vote for the branch's base expenditures? We can get that for you, but I know, Mr Villeneuve—

Mr Villeneuve: There's no hurry.

Ms Burak: —that the bulk of the legal work would be done, certainly over the last couple of years, in-house by our legal services branch and the staff being witnesses. But we'll get you the data.

Mr Villeneuve: The dairy inspection branch: Milk quality is very important. Are you monitoring this closely? We have effectively done away with the dairy inspection branch. Can you shed some light on what's happening and then, secondly, on the sale of raw milk by people who apparently own cows in certain dairy barns and pay to have them looked after. This is of great concern to our consumers and to our producers.

1730

Hon Mr Buchanan: In terms of the quality control of the milk that's coming to market, we have in fact been able to monitor and show that milk still is very safe in terms of the testing that's being done. I think the deputy wanted to talk about the downsizing efforts perhaps.

Ms Burak: Just to pick up where the minister left off, we've been monitoring on a number of different bases through our laboratory and just recently, I believe it was about two or three weeks ago, had a meeting with representatives of the milk board to go over the data and hear any issues or concerns that they had.

I think it would be true to say that at the end of the meeting everybody would agree that the statistics would show that there hasn't been any change or damage as a result of the reduction in the number of on-farm inspectors. I would say we haven't eliminated on-farm inspection; we've reduced the numbers. We are trying to watch very carefully the geography that people have to cover and are monitoring their workloads to make sure that there aren't any gaps in areas where we have a lot of dairy farmers, but we are monitoring it very closely.

Mr Villeneuve: The sale of raw milk?

Hon Mr Buchanan: The Ministry of Health, I think, has been taking the lead on the sale of raw milk. Although there have been some calls for us to look at regulations and we should change the way we've done things, and I know that one veteran of the Liberal caucus has called for a task force to be set up to look at the sale of raw milk, to this point in time we have decided that we're very proud of the quality we have. We have no plans to make any moves in one direction or the other at this point in time when it comes to the sale of raw milk.

Mr Villeneuve: Production of hemp? Is this an alternative crop that will be looked at in a positive light?

Hon Mr Buchanan: I've always been very careful commenting on this subject. Since it's late in the day, I guess my inhibitions are down. My understanding is that the two farmers who have come together to get a licence to grow a crop this year, obviously it needs to be evaluated. If it turns out to be economically feasible, I think it's worth pursuing in terms of the tobacco belt. If there are some products that we could make from hemp, then

I think we should pursue it and should support it. But we need to do an evaluation on what's happening this year before we go full speed into this.

Mr Villeneuve: My colleague from Grey-Owen Sound.

Interjection: He wants to know where to buy hemp.

Mr Bill Murdoch (Grey-Owen Sound): Maybe in Grey county; we have a hard time growing any kind of crops up there, so I don't know whether it would grow too well at all. You know, we don't have the heat units that we need for that.

I know it's been asked, but I want to just get it on the record. We know how badly Bill 163 is devastating rural Ontario. I just want to know—

Interjection: Get real, Bill.

Mr Murdoch: I guess your friends on your own side seem to think it's a good bill, but I understand you fought quite hard for us on it. Do you think there's anything we can do about it now at all? It's coming in for third reading. I understand it's going to have one hour. As minister, is there anything you can do to help us out in rural Ontario, because you are minister for Rural Affairs too?

Hon Mr Buchanan: Some of the things that I've actually heard people say out in rural Ontario have shocked me, and I've had to come back and say, "Is this really what this bill means?" It's unfortunate that there is probably more misinformation than there is accurate information out there, and that's unfortunate.

In my own area there was one community person who stood up in a public meeting and said that the community would not be able to build a community centre if this went through because it was in—

Mr Murdoch: It's on the floodplain.

Hon Mr Buchanan: No, no. It was because there was going to be no more building of anything in rural Ontario basically.

Mr Murdoch: Well, they're almost right.

Hon Mr Buchanan: The wetlands policies have actually been in place for a while. Some people are just sort of now catching up to them, but they have been in place, and those people who have been in the development business I think have been aware of them.

What's important to get on the record is that in areas where existing farming is taking place adjacent to wetlands, that can continue. It's not going to stop people from doing what they've been doing. They're not going to have to take out their tile drains or any of that sort of thing. But it is going to prevent probably the building and construction near wetlands in certain areas, which most farm organizations don't have a serious problem with. So existing practices can continue.

It's going to be a new regime, but before we all jump over the cliff, we should take a look at what's happening in Europe. We need to take a look at what's happening in Holland, what's happening in Belgium, what's happening in Denmark, where they're losing some of their agricultural industry because they didn't pay any attention to the wetlands, they didn't pay any attention to the

environment, and now industries in fact are leave Denmark and moving to Australia because they've destroyed the land base.

I think it's important that we put this in some perspective of what the intent is and not get too caught up in the rights of the property owner, which we all respect, coming from rural Ontario. I think it's important, and we had a dialogue. In fact we went back to the ministry and asked them to put back in, for example—I know the member for Grey-Owen Sound appreciates this—retirement lots for farmers. We got that back into the bill. It was on behalf of my colleagues, yourself and others, that we got that back in. So we did have an impact and we did make some changes.

I think it's important as we talk to rural people to make sure they get accurate information and not sort of tell them that this is going to shut down rural Ontario.

Mr Murdoch: I understand that, but the escarpment's still there. There is that clause that says you can't use things in some of the designated areas, and that's a dangerous one. I just hope the minister will go to cabinet when the regulations are set and that he'll fight—I know he will fight—for rural Ontario.

The Vice-Chair: Thank you, Mr Murdoch. The time of the Conservative caucus has expired. I now turn to the government caucus. Mr Klopp, do you have a question?

Mr Klopp: Yes, I guess a statement or a question. I found it very interesting today. I just want to say that some farmers have told me, Elmer, that you're doing a fantastic job, and I want to assure my colleagues that isn't me talking; that's other farmers. I think it says a lot about this government and I just wanted to get that on the record.

One of the things, I think, that we've talked about here that maybe isn't quite understood from a rural investment fund area is with regard to the \$120 million or what it is. I think that needs to be explained a little more for our colleagues, Elmer. We looked at that as an investment fund that farmers like—well, I'll use an example and you can expand on it if you wish. But so often we had rebate programs in which all we did was we'd just run around and subsidize a bank, and I really could have used that money saved up front.

That, I think, was what the investment fund was, and if you could just maybe make sure that's explained to our colleagues, what the \$120 million really meant, because we hope that the farmers never use that money, that they just know that it's there and they can use up to that, borrow against that, and we just hope of course that no loans go bad. But could you just explain it a little better to them?

Hon Mr Buchanan: I think the answer is the fact that the fund is an ag investment fund. It's not a—

Mr Klopp: Like you write cheques on it like the old program.

Hon Mr Buchanan: Some people like to use the word "subsidy." Many farmers resent that word, so it's not a cheque-writing mechanism. It's intended as an ag investment to allow farmers to borrow money from existing institutions. In one case we set up the Agricul-

tural Commodity Corp, which is run by farmers for farmers, and we actually used banks' money. I mean, it isn't taxpayers' money that's being used here. We offer some guarantees.

We are able to leverage money and put programs in place that last for a long time, and there's no sort of time line on these programs. So it's the leveraging feature of this, which actually came from farmers. This is not sort of a New Democrat ideology. The concept came from farmers. They put it together when the Hayes task force travelled around, and we basically acted on what farmers were asking for. I think it has the support of basically all parties and all farmers.

Mr Klopp: Thank you. That's it.

The Vice-Chair: The time that we have for estimates today unfortunately has expired. I'd like to ask the minister a question. There are a number of verbal questions which were asked by the opposition critics. If the minister could, if possible, instruct his staff to review Hansard and give the opposition critics written responses within a reasonable period of time, I'm sure that would be appreciated.

Mrs Fawcett: I would really like some further information. I know Mr Villeneuve mentioned 4-H, and I'd like to know really if 4-H is going to be something that will continue to be helped along, and also subsidies to fall fairs, because that's a good educational vehicle.

Hon Mr Buchanan: You can count on us.

Mrs Fawcett: Right. I want to make sure those funds are never cut—

Hon Mr Buchanan: You can talk to your federal counterparts about—

Mrs Fawcett: —from 4-H and fall fairs.

Hon Mr Buchanan: We will provide that, Mr Chairman, to the people within a reasonable time.

The Vice-Chair: Through the clerk, Minister. That would be fine. Thank you very much.

We now have the opportunity to vote on the 1994-95 estimates of the Ministry of Agriculture.

Shall vote 101 carry? Carried.

Shall vote 102 carry? Carried.

Shall vote 103 carry? Carried.

Shall vote 104 carry? Carried.

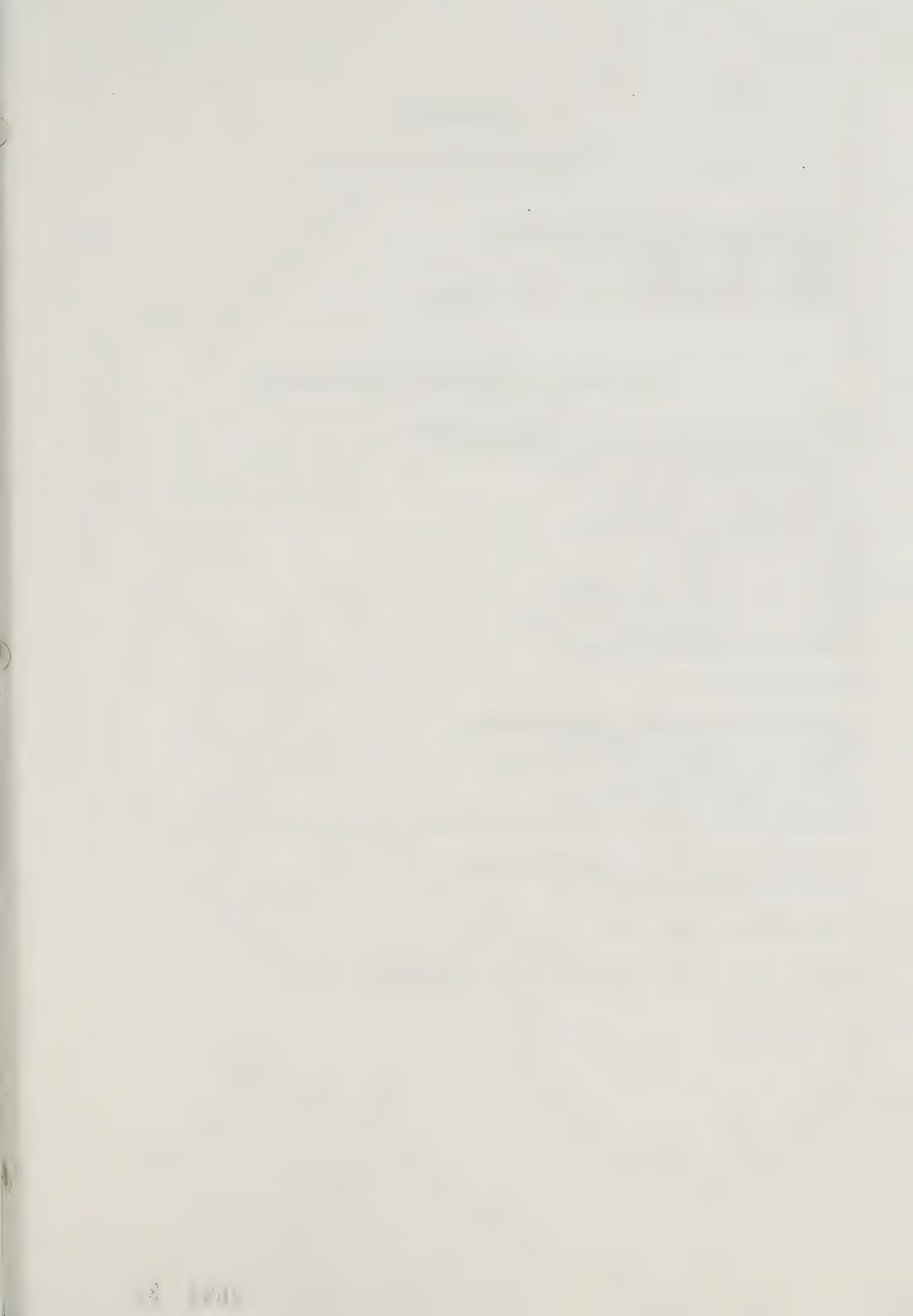
Shall vote 105 carry? Carried.

Shall the 1994-95 estimates of the Ministry of Agriculture, Food and Rural Affairs carry? Carried.

Shall I report the 1994-95 estimates of the Ministry of Agriculture, Food and Rural Affairs to the House? Carried.

Thank you very much, Minister and Deputy Minister and staff, for attending this meeting today. The committee now stands adjourned. We reconvene at the call of the Chair.

The committee adjourned at 1742.



CONTENTS

Wednesday 16 November 1994

Ministry of Agriculture, Food and Rural Affairs	E-755
Hon Elmer Buchanan, minister	
Rita Burak, deputy minister	
Bob Seguin, assistant deputy minister, policy and programs	

STANDING COMMITTEE ON ESTIMATES

Chair / Président: Jackson, Cameron (Burlington South/-Sud PC)

***Vice-Chair / Vice-Président:** Arnott, Ted (Wellington PC)

Abel, Donald (Wentworth North/-Nord ND)

Bradley, James J. (St Catharines L)

Carr, Gary (Oakville South/-Sud PC)

***Duignan, Noel** (Halton North/-Nord ND)

***Fletcher, Derek** (Guelph ND)

Hayes, Pat (Essex-Kent ND)

***Lessard, Wayne** (Windsor-Walkerville ND)

Mahoney, Steven W. (Mississauga West/-Ouest L)

Ramsay, David (Timiskaming L)

Wiseman, Jim (Durham West/-Ouest ND)

**In attendance / présents*

Substitutions present/ Membres remplaçants présents:

Cleary John C. (Cornwall L) for Mr Mahoney

Fawcett, Joan M. (Northumberland L) for Mr Bradley

Klopp, Paul (Huron ND) for Mr Hayes

Rizzo, Tony (Oakwood ND) for Mr Wiseman

Villeneuve, Noble (S-D-G & East Grenville/S-D-G & Grenville-Est PC) for Mr Carr

Also taking part / Autres participants et participantes:

Murdoch, Bill (Grey-Owen Sound PC)

Clerk / Greffière: Grannum, Tonia

Staff / Personnel: McLellan, Ray, research officer, Legislative Research Service



